FBIS DAILY REPORT

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CPCZ DAILY ON GROWING SFRY-CEMA TRADE

AU020946 Prague RUDE PRAVO In Czech 29 Dec 80 p 6

[Article from our correspondent Jaroslav Raus: "Important Partners: The Cooperation Between the CEMA Countries and Yugoslavia Is Growing"--capitalized passages published in boldface]

[Text] Belgrade--COOPERATION WITH CEMA, WHICH HAS BEEN EXPANDING YEAR AFTER YEAR ON THE BASIS OF THE 1964 AGREEMENT, IS TYPICAL OF THE YUGOSLAV ECONOMY. THE RESULTS OF THE AGREEMENT ARE MORE THAN 50 MULTILATERAL AGREEMENTS, 30 OF WHICH PERTAIN TO PRODUCTION SPECIALIZATION, COOPERATION AND MUTUAL GOODS DELIVERIES. MORE THAN 20 ARE ORIENTED TOWARD CONTACTS IN SCIENCE AND TECHNOLOGY. THE VOLUME OF GOODS EXCHANGE BETWEEN THE CEMA MEMBER COUNTRIES AND THE SFRY HAS DOUBLED IN THE PAST 5 YEARS.

In Yugoslav economic contacts with foreign countries THE FIRST PLACE--AS REGARDS THEIR EXTENT--GOES TO THE SOVIET UNION, whose organizations are taking part in constructing and reconstructing 120 projects, particularly powerplants, ironworks, engineering plants and mines. On the other hand, the construction organization Trudbenik of Belgrade and Industrogradnja of Zagreb, for example, have built hotels in Yalta and are building others in Sochi. Yugoslav firms are producing some parts for Soviet automobile works, among which are the PRVA Petrocenica Enterprise, which delivers brakes for Kamaz, the world's largest truck manufacturers, and the Crvena Zastava of Kragujevac, which cooperates with the automobile works in Togliatti. THE VALUE OF THE TRADE EXCHANGE BETWEEN THE TWO COUNTRIES HAS BEEN PLANNED TO REACH $14.2 BILLION IN THE 1976-80 PERIOD, BUT WILL REACH MORE THAN $17 BILLION.

THE SECOND PLACE--AS REGARDS THE EXTENT OF ECONOMIC RELATIONS--BETWEEN THE CEMA COUNTRIES AND THE SFRY GOES TO THE CSSR. THE VALUE OF MUTUAL GOODS EXCHANGE WILL EXCEED $1 BILLION THIS YEAR--this will be considerably more than originally envisaged. The long-term agreements in ferrous and nonferrous metallurgy, in agriculture and some other fields are being successfully fulfilled. These large projects are being gradually carried out through direct contracts [dilci dohody]. One of them was concluded recently between our foreign trade enterprise Kerametal and the aluminum combine in Titograd and the light metals factory in Sibenik [probably the Boris Kidric enterprise]. The CSSR will participate with $63 million in expanding these enterprises, with the credit being repaid by deliveries of finished and semifinished aluminum products. One could name other agreements that attest to purposeful and future-oriented mutual cooperation.

From the viewpoint of the needs and the potential of the two national economies, THE DEVELOPMENT OF COLLABORATION IN INDUSTRIAL SPECIALIZATION AND COOPERATION IS STILL UNSATISFACTORY. As was emphasized last June during CSSR Premier Lubomir Strougal's visit to the SFRY, activity in the next 5 years in that sphere must be doubled. One of the topical contributions to the expansion of higher forms of cooperation is the $14 million agreement between the Omnia and Strojsmalt foreign trade enterprises and the firm Rade Koncar of Zagreb on cooperation for the production of refrigerators in 1981.

YUGOSLAV ECONOMIC RELATIONS WITH THE OTHER CEMA COUNTRIES ARE EQUALLY DYNAMIC. For example, in 1971-75 the volume of goods exchange between the GDR and the SFRY amounted to $1.6 billion, and is already $3.6 billion in the current 5-year plan. For the 1981-85 period a protocol has been signed calling for a $5.2 billion exchange of goods.

Yugoslavia's cooperation with CEMA is highly valued. AT this year's 34th CEMA session held in Prague in June, Branislav Ikonic, head of the SFRY delegation, said: "YUGOSLAVIA REGARDS COOPERATION WITH CEMA AS VERY IMPORTANT," and added that "THE CEMA MEMBER COUNTRIES AS A WHOLE AS WELL AS INDIVIDUALLY ARE THE SFRY'S MOST IMPORTANT ECONOMIC PARTNERS."

PARTY DAILY ON KISSINGER'S MIDDLE EAST TOUR

AU051312 Sofia RABOTNICHESKO DELO in Bulgarian 31 Dec 80 p 7

[Georgi Kaloyanov commentary: "'Shuttle' Diplomacy Again"]

[Text] Henry Kissinger, former U.S. secretary of state under Presidents Nixon and Ford, has again emerged on the international political arena. He has begun a "private" Middle East tour. His mission is to study the situation there in view of Ronald Reagan's future Middle East plans. He is expected to visit Egypt, Israel, Saudi Arabia and other countries.

Kissinger became famous during 1973-1976 with the so-called "small steps" policy which meant that the Middle East conflict must be solved by partial and separate agreements. He used "shuttle" diplomacy to achieve this policy, or in other words by daily visits between Tel Aviv and Cairo as well as to Damascus, Amman and Riyahd. Kissinger actually built the basis of the 1978 Camp David separate agreements among Menahem Begin, prime minister of Israel; Anwar as-Sadat, president of Egypt; and Jimmy Carter, President of the United States.

The aim of this policy and diplomacy, which has been exploited by Israel for a long time, was and still is to individually split the Arab countries involved in the Middle East conflict so that a separate peace in conformity with Israeli-U.S. designs, designs of a defeatist nature, can be individually imposed upon them. We must admit that this policy achieved a certain success--Egypt, the largest Arab country, was taken out of the Arab front and put in the Israel-U.S. orbit.

Kissinger now has rich experience and knowledge regarding Middle East affairs and thus is looking for new Arab candidates in connection with the Camp David agreements. In this respect Jordan occupies first place because it is of primary importance for the Middle East policy of the United States regardless of whether Jordan will be an object of his present visit--since King Husayn is not there at this moment. According to Kissinger, a "peaceful solution" to the Middle East problem could be achieved on the basis of the Camp David agreements. Reagan was supposed to take the "principles" of these agreements into account.

The issue, however, is that the Camp David policy suffered an utter defeat regarding so-called "Palestine autonomy" because the Palestinian problem is the key to the Middle East crisis and no peace can be achieved in the Middle East without its just solution. That is why one can expect that the new U.S. Administration will be looking for other political versions within the Camp David framework. Kissinger is again shuttling back and forth in the Middle East trying to revive the old "small steps" policy which means new plots against the Arab cause.

ZHIVKOV, TODOROV SEND GREETINGS TO CASTRO

AU051516 Sofia RABOTNICHESKO DELO in Bulgarian 1 Jan 81 p 1, 8

[Text] Todor Zhivkov, first secretary of the BCP Central Committee and chairman of the State Council, and Stanko Todorov, chairman of the Council of Ministers, have sent the following greetings telegram to Fidel Castro Ruz, first secretary of the Cuban Communist Party [PCC] Central Committee and president of the State Council and Council of Ministers of the Republic of Cuba:

Dear Comrade Fidel Castro, on behalf of the BCP Central Committee, the State Council and the Council of Ministers of the People's Republic of Bulgaria, of the Bulgarian people and on our own behalf we send to you, to the PCC Central Committee and to the State Council and Council of Ministers of the Republic of Cuba most cordial greetings and genuine good wishes on the occasion of the 22d anniversary of the Cuban revolution's victory. On the date of this bright holiday, the Cuban people under the leadership of their Communist Party and with the active cooperation of the Soviet Union and of the other socialist countries are marking with legitimate pride further noteworthy successes in building socialism in their motherland.

The Bulgarian communists and all Bulgarians enjoy these successes from the bottom of their heart and are also fully convinced that the Cuban people, rallied round their Communist Party and the Central Committee, will fulfill with honor and dignity the further great tasks which the Second PCC Congress set in building a socialist society in fraternal Cuba.

Thanks to its consistent, peace-loving and constructive foreign policy, Cuba today is deservedly enjoying international prestige. We highly value its active contribution to the struggle for peace, detente, security and international cooperation in the world and also its active role in the nonaligned movement. We express deep satisfaction and genuine joy that the relations of fraternal friendship and fruitful cooperation between the BCP and the PCC as well as between the People's Republic of Bulgaria and the Republic of Cuba, based on the principles of Marxism-Leninism and socialist internationalism, are dynamically and progressively developing. We want to assure you that we will continue to do everything possible so that this friendship and cooperation can develop and be enriched for the prosperity of our peoples and in the interest of strengthening the unity and cohesion of the socialist community.

On this noteworthy date we express heartfelt wishes to the PCC Central Committee, the State Council and Council of Ministers of the Republic of Cuba, to the fraternal Cuban people and to you personally, dear Comrade Castro, for further great successes in building socialism, for the further prosperity of the Republic of Cuba, for the well-being of the fraternal Cuban people and for safeguarding world peace and security.

ZHIVKOV ISSUES NEW YEAR'S MESSAGE TO CITIZENS

AU311658 Sofia BTA in English 1332 GMT 31 Dec 80

[Text] Sofia, 31 Dec (BTA)--In his New Year's address to the Bulgarian people Mr Todor Zhivkov, first secretary of the CC of the BCP and president of the State Council of Bulgaria, emphasized that with the old 1980 a decade is closed which, despite its complexity, will stay in modern history with the triumph of realism over adventurism, with the will for peace and understanding, prevailing over distrust and hostility, a triumph expressed in the signing of the Helsinki security and cooperation conference Final Act. "The moves of the enemies of peaceful cooperation are meeting now not only the resolute opposition of the democratic and peaceful states and the masses all over the world. The course of exacerbation of international relations is being rejected now by the Western leading circles," said Mr Zhivkov. According to him, this rejection, this unwillingness of the sober-thinking political and business circles in the capitalist states to cast away the fruits of security and reciprocal advantageous cooperation and to embark on the road of provocation of a thermo-nuclear war, is a new phenomenon in international relations, inherited by Europe from the 'seventies which will obviously have its say inthe 'eighties of our century.

Emphasizing the enormous power and possibilities of the Warsaw Treaty member-states and the CEMA, rallied round the Soviet Union, Mr Zhivkov underlined the fact that their existence sobers up in particular the giddy-headed warmongers. "There are no doubts that we will not permit a change of the equilibrium of forces in favor of imperialism, in favor of war. Jointly with the other peaceful states, with the international communist and workers' movement, with the national liberation movement, with the peaceful and democratic forces of the world we will succeed in making imperialism respect the will of mankind to live in peace", he added. Speaking on the situation in the country, Mr Zhivkov noted that the most important thing is the growth of the economic potential of Bulgaria, corroborated by the indices of her economic development in the last ten years. The volume of national industrial production has more than doubled in this period. The national income has also increased over two times. The fixed capital will reach 77,000 million leva which is two and a half times more than in 1970.

PRESS DISCUSSES CONDITIONS, FORCES IN POLAND

AU051347 [Editorial Report] Prague RUDE PRAVO in Czech on 3 January, on pages 1 and 7, carries a report on New Year statements by various statesmen in the world. Included is a brief report on the statement by Poland's Henryk Jablonski, in which he reportedly noted the "sharp social conflicts and tensions that had been growing for a long time, due to mistakes in the economic and social policy and to the serious violation of the principles of socialist democracy" in Poland, adding that the social conflict, which "contained the danger of serious conflicts and shocks," was "warded off by the choice of the path of understanding." After noting the "many complicated problems and difficult tasks" now facing the country, Jablonski reportedly concluded: "Today a broad front of commonsense and responsibility is being shaped around the program of renewal and in work for the fatherland. This front is uniting the members of the PZPR and other political parties, nonparty members and those who have different world outlooks--all generations."

On the same date RUDE PRAVO carries on page 7 a CTK/ZR-signed Warsaw dispatch, entitled "On the Current Danger; St. Kania to the Party Aktiv in Gdynia." Kania is reported as stating to the party officials and aktivists of the "Paris Commune Shipyards" in Gdynia: "We want Poland to be an important link of the entire socialist community, which is the guarantee of our national security. Simultaneously we must realize that every aggravation of the situation and every internal weakening of Poland weakens the entire community." After noting Kania's words that the "dangers threatening the socialist renewal continue to be topical" and that the PZPR leadership "is determined to support the development of socialist democracy, which nevertheless must be understood primarily as a factor strengthening social activity and stands of coresponsibility," the report states that he "devoted considerable attention to the problems of the trade union movement. Despite the lack of its organizational unity one must see to it that no ideological breakup takes place in the trade union movement and that this movement has a socialist character." The report then cites Kania on the country's economic problems; it concludes by citing reports from various regions in Poland on "the continuing activity of antisocialist forces," covered by the referent item.

A fuller version of this item is carried by Bratislava ROLNICKE NOVINY in Slovak on 3 January, on page 5; in a CTK Warsaw dispatch, entitled "Subversive Goals; Activity of Anti-Socialist Forces in Poland." The paper states: "Reports from various regions in Poland testify to the continuing activity of antisocialist forces which are striving to make the efforts of the PZPR and of government bodies to normalize the situation in the country more difficult. These forces are mostly operating under the cover of slogans of the 'Solidarity' trade union, and forcing this union's organizations to assume the role of a kind of counterbalance with regard to official power bodies and to turn into political pressure organizations. The circles standing in opposition to the PZPR are coming out, through 'Solidarity,' with consciously provocative demands, the realization of which would lead to an intensification of disproportions in the Polish economy and to a growing tension in the domestic market. The disruption of the working rhythm, on which the opposition is placing its stakes, is bringing with it an escalation of breakdowns in supplies of consumer goods to the population. The antisocialist forces are striving to introduce chaos into the economy and are counting on using this for their subversive goals."

ECONOMIC COOPERATION COMMISSION OPENS SESSION

Soviet Delegation Arrives

LD051250 Prague Domestic Service in Czech 1130 GMT 5 Jan 81

[Text] A Soviet delegation headed by Nikolay Talyzin, deputy chairman of the Council of Ministers, arrived in Prague today.

It will attend the 21st session of the Intergovernmental Czechoslovak-Soviet Commission for Economic, Scientific and Technical Cooperation, which will deal with topical issues concerning the further intensification of economic relations between Czechoslovakia and the Soviet Union. The Soviet guests were welcomed at the airport by Vaclav Hula, member of the CPCZ Central Committee Presidium, deputy premier and chairman of the State Planning Commission, and other officials.

Session Begins

LD052106 Prague CTK in English 1713 GMT 5 Jan 81

[Text] Prague, 5 Jan (CTK)--The 21st session of the Inter-governmental Czechoslovak-Soviet Commission for Economic, Scientific and Technological Cooperation started here on Monday.

The Czechoslovak delegation is led by Czechoslovak Deputy Premier and State Planning Commission Chairman Vaclav Hula and the Soviet delegation by Council of Ministers Deputy Chairman Nikolay Talyzin.

The commission is discussing further deepening and extension of economic relations between Czechoslovakia and the Soviet Union, mainly in specialization and cooperation in production, goods exchange and transport, and scientific and technological cooperation. It is [word indistinct] of agreements on production specialization and cooperation after 1980, results of coordination of plans of economic and social development of the two countries for 1981-1985 and the preparation of contracts on mutual goods exchange.

INDRA COMMENTS ON INTERPARLIAMENTARY UNION

LD061112 Prague CTK in English 0832 GMT 6 Jan 81

[Text] Bratislava, 6 Jan (CTK)—Czechoslovakia's Federal Assembly has been taking an active part in the work of the Interparliamentary Union, to which the country has been affiliated for sixty years already, and its activity in the Union is generally recognized, Chairman Alois Indra noted in a review of Federal Assembly activity made in an interview with the Slovak daily LUD.

He recalled that in 1979 Czechoslovakia was host to 848 deputies from 72 countries at their spring session of the Union.

"In future, too, it wants to find common language with those striving for common sense, sober assessment and good will for understanding between states, regardless of their socio-political orientation, to prevail in the coming period", he said.

The chairman elaborated on the work of the Assembly in the country's economic, social and cultural questions.

He noted that out of members of the Federal Assembly's two houses 43 are deputies of the four non-communist political parties in Czechoslovakia. Seventy other deputies without political affiliation represent especially big social organizations associated in the National Front.

Opposition, as it is known from bourgeois parliament, is non-existent in Czechoslovakia since all the deputies, members of the communist party and other parties are united by service to the interests of the people. All deputies are equal, no one may be discriminated against in respect of political affiliation, the chairman stressed.

COURT SENTENCES FRG 'AGENT' TO 6 YEARS IMPRISONMENT

AU051413 East Berlin NEUES DEUTSCHLAND in German 3-4 Jan 81 p 2

[Text] Berlin (ADN)--On 2 January 1981 the Potsdam District's court sentenced Hans Friedrich Ebbinghaus from Norderstedt (FRG), an agent of the secret-service-controlled criminal Lampl gang, to 6 years imprisonment for crimes under sections 105 and 213 of the Penal Code, committed in abuse of the transit agreement. The Mercedes automobile used and especially prepared for the crimes, with the license number HH-KN 963, was impounded. Ebbinghaus, who has a record of several previous convictions for embezzlement and traffic offenses, participated regularly for gain in systematic crimes of the Lampl gang against the GDR.

To carry out his subversive acts the Lampl agent posed as a transit traveler, repeatedly deviating from the GDR transit routes with criminal intent. Direct contacts of the agent with gang leader Julius Lampl and his closest accomplices, the professional criminals Juergen Elsner and Alfred Lehnert, served his instruction and preparation for further criminal activities of the Lampl gang against the GDR. The main trial again confirmed that criminal elements--as in Ebbinghaus' case--are recruited through advertisements in newspapers of the Springer concern. In the FRG gang leader Lampl and his accomplices enjoy police and court protection in their crimes against the transit agreement and other treaties of international law.

HONECKER ANNIVERSARY GREETINGS TO PLO'S 'ARAFAT

AU051410 East Berlin NEUES DEUTSCHLAND in German 2 Jan 81 pp 1-2

[ND report: "Solidarity With the People of Palestine; Erich Honecker Letter to Yasir 'Arafat"]

[Text] Berlin (ND)--Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, has sent the following letter to Yasir 'Arafat, chairman of the PLO Executive Committee and commander in chief of the armed forces of the Palestinian revolution:

On the occasion of the 16th anniversary of the beginning of Palestinian resistance I convey to you, the PLO Executive Committee and the Palestinian people the most cordial militant greetings.

This day gives us the opportunity to again assure the Palestinian people and its legitimate representative, the PLO, of the GDR people's unbreakable solidarity.

We note with pleasure and satisfaction that the relations between the PLO and the GDR are developing and deepening successfully in manifold ways.

I am using this opportunity to reaffirm our consistent support of the Palestinian people's heroic struggle to regain their national rights, including the right to an independent state of their own.

We are following with concern the dangerous exacerbation of the situation in the Near and Middle East that has resulted from the policy of intensified threats and extortion pursued by imperialism.

The GDR regards the constant deepening of friendly cooperation with the PLO as an important constituent part of its close relations with the Arab peoples and as an important contribution to the struggle against the imperialist policy of confrontation.

Please accept, highly esteemed Comrade Yasir 'Arafat, my best wishes for further successes in your responsible work in the interest of the Palestinian people's just cause, as well as for health and personal well-being.

HONECKER, STOPH CONGRATULATE CUBA'S CASTRO

AU051238 East Berlin NEUES DEUTSCHLAND in German 2 Jan 81 pp 1-2

[ND report on "GDR State Telgram" to Cuba's Fidel Castro on the 22d Anniversary of the Cuban Revolution]

[Text] Berlin (ND)--Erich Honecker, SED Central Committee general secretary of the GDR State Council chairman, and Willi Stoph, GDR Council of Ministers chairman, have sent the following telegram to Dr Fidel Castro Ruz, first secretary of the Cuban Communist Party [PCC] Central Committee and Council of Ministers chairman of the Republic of Cuba:

On behalf of the SED Central Committee, the State Council, the Council of Ministers and the people of the GDR we convey to you, the PCC Central Committee, the State Council, the Council of Ministers and the entire fraternal people of Cuba most cordial greetings and congratulations on the occasion of the 22d anniversary of the revolution--liberation day.

With the historical victory over the Batista dictatorship the Cuban people crowned its sacrificial struggle, waged over decades, against domestic and foreign oppressors, for social and national liberation.

The outstanding successes scored since that time by revolutionary Cuba, led by the Communist Party, in shaping the socialist social system have convincingly confirmed the vitality of the world-changing ideas of Marxism-Leninism.

Owing to its revolutionary achievements and its consistent foreign policy marked by proletarian internationalism, Cuba is today a shining symbol of socialism, democracy, independence and freedom for the peoples on the American continent and everywhere.

The tasks adopted a few days ago by the Second PCC Congress are new proof of the PCC's determination to strengthen socialism and to raise the material and cultural living standard of the people. We are certain that the implementation of the decisions of the Cuban communists' highest forum will further increase the attractiveness of America's first socialist country. With sympathy and pleasure the GDR people welcomes every success that is scored by the fraternal Cuban people in building socialism.

The friendship visit of the GDR party-state delegation in May 1980 initiated a new chapter in our people's fraternal relations. In a period of exacerbating provocations and interference in Cuba's internal affairs by U.S. imperialists, we have stressed the fraternal affinity of our parties, states and peoples and our unshakable determination to defend detente and peace. We affirm that the GDR--together with the other socialist states--will always stand firmly at the side of the Republic of Cuba.

The treaty on friendship and cooperation has created a stable foundation for the further expansion and development of cooperation between the GDR and the Republic of Cuba beyond the year 2,000. The GDR will do everything in its power to constantly strengthen the bonds of friendship and solidarity that are linking us with one another, in the interest of socialism and of peace.

We wish you, dear Comrade Fidel Castro, the PCC and the entire Cuban people great successes in implementing the orienting decisions of the second party congress.

Please accept on this occasion at the same time our best wishes for the New Year.

SED'S HAGER SPEAKS TO SOCIAL SCIENTISTS IN BERLIN

AU042001 East Berlin NEUES DEUTSCHLAND in German 19 Dec 80 pp 3-4

[Report on speech delivered by Kurt Hager, SED Central Committee Politburo member and SED Central Committee secretary, at a meeting with social scientists, held in East Berlin on 18 December]

[Excerpts] The preservation of peace is the supreme demand at the present moment, as the international situation remains complicated and dangerous as a result of the policy of U.S. imperialism, which is directed against peaceful coexistence and detente. The imperialist policy of confrontation arises from two causes: first, the balance of forces in the world has further shifted to the advantage of socialism and peace throughout the seventies; second, the general crisis of capitalism and its economic and political instability have been exacerbated.

The progress of the Soviet Union and the socialist community throughout the seventies, the establishment of socialist states, or states oriented toward socialism in Africa, the historical victories of the peoples of Vietnam, Laos and Kampuchea against the imperialist aggressors, as well as against the Chinese great-state chauvinism, the upsurge of the national liberation movement, the successes of the revolutionary-democratic forces in Latin America and the successes of democratic movements in capitalist countries--all these events further prove the shift in the balance of forces to the advantage of socialism. We can state without exaggerating that all continents and regions of our planet today are involved in a new movement for the sake of peace and social progress.

At the same time the changes in the policy of imperialism are closely connected with the internal development of the imperialist states. Notwithstanding the differences among different countries, the situation of the capitalist countries as a whole is marked by chronic crisis, considerable economic insecurity and increasing instability.

Some of the most important imperialist countries, such as the United States and Great Britain, have already entered a phase of cyclical crisis. As for the FRG, former Federal Bank President Emminger stated: "The forthcoming year will be one of great difficulties in the economic sector. We can be grateful if we reach an average annual rate of economic growth amounting to zero. I cannot exclude however, that the rate will be below zero." (HANDELSBLATT, 15 December 1980 issue).

As for the political sector, increasing polarization of class forces, differences within the ruling circles, intensified activities by the reactionary forces and right-wing extremists, and political terror characterize the situation in many imperialist countries. The general crisis of capitalism has been intensified to an unprecedented extent. Under such circumstances the capitalist monopolies are looking for a way out of the existing difficulties through increased reactionary activities in the domestic sector and intensified aggressive actions abroad.

Despite the fact that we have to consider the tension existing in the international situation, it would be utterly wrong to describe the situation as hopeless and to see nothing but dangers. All prerequisites exist for giving a well-deserved rebuff to aggressive threats and to the policy of violence conducted by the imperialist circles. The forces which are opposing the policy of U.S. imperialism, directed against detente and pursuing confrontation, the forces opposing the NATO and U.S. policy of excessive rearmament, which is endangering peace--these forces are, above all, the Soviet Union and the other nations belonging to the socialist community. These forces are, above all, represented by the activities of the communist parties and of all peace forces expressing the peoples' desire for peace. [paragraph continues]

The further consolidation of socialism and the close alliance of the three main revolutionary trends in our epoch--socialism, the communist and workers movement and the national liberation movement--are the sources of strength, capable of foiling the plans of imperialism and their implementation. That fact was very impressively demonstrated at the recent international conference held in Berlin.

If we wish our continent to be and to remain a factor of peace, as the vital interests of the peoples require, then all European countries must devote their greatest efforts to that cause. The two German states, whose borderline marks, at the same time, the watershed between NATO and the Warsaw Pact, between socialism and capitalism in Europe, naturally bear great responsibility in this respect.

The GDR being a socialist state is fully aware of its responsibility. Since the very beginning of its existence our country has acted according to the principle of doing everything within its power to prevent war breaking out on German soil. We are in favor of good-neighborly relations with the FRG and we are interested in developing trade, economic, scientific-technical and cultural relations to the mutual advantage of the two countries, on the basis of the principles of equal rights and equal security. Our relations would increasingly improve if people in Bonn were to base themselves, without any prejudice, on the fact that two sovereign German states exist, independent of each other and representing two differing social systems, if nationalism and revanchism were to finally disappear from the scene, and if the dangerous illusions about reestablishing a "German Reich within the borders of 1937" were given up forever.

As the leading representatives of the Warsaw Pact member-states confirmed at their Moscow meeting held at the beginning of December 1980, the socialist countries are resolved "to continue contributing to the consolidation of the international atmosphere, to strengthening peace, to continuing the policy of detente, to developing international cooperation and to settling all conflicts by negotiations." (NEUES DEUTSCHLAND, 6-7 December 1980 issue).

How great is the contrast between this aspiration of the Warsaw Pact member-countries, aimed at safeguarding peace, and the menacing gestures of the recent NATO session held in Brussels, which uttered threats against the Soviet Union and the other socialist states. How impressive, in contrast, is the calm and sensible attitude of the Moscow meeting, when we compare it to the inventions and obvious lies that were the main subjects of the NATO session.

There is, however, some method in the hysterical noise raised by NATO. The West German HANDELSBLATT in its 15 December 1980 issue stated in connection with the NATO signals from Brussels: "According to Hermann Kahn and other thinkers of the unthinkable--of escalation leading to the apocalypse--intentional false alarms and misinformation destined for domestic use, but also serving to alert the other side, are playing an essential role in the 20 or 30 phases of escalation. It is, therefore, by no means surprising if this year's NATO ministers' session in Brussels, taking place during the Polish crisis, should have been surrounded by a fog or rumors, intentionally bogus reports, confirmed indiscretions and denied speculations."

The HANDELSBLATT expresses the opinion that many of the rumors and bogus reports had later been corrected, but nevertheless they made it obvious that the NATO policy, aimed at excessive rearmament and confrontation in the ideological sector as well, is being promoted and that misinformation, intentionally bogus reports, lies and slanders about the Soviet Union and about socialism are an integral part of NATO policy.

The most important elements of imperialist ideology are and remain anticommunism and anti-Sovietism. Anticommunist and anti-Soviet propaganda has recently escalated to real hysteria. As to its intensity, maliciousness and technical means of propagation, the propaganda by far exceeds the cold war in the ideological sector as it existed in the fifties.

This is the "logic" of anticommunism. The uglier and the more inhuman capitalism becomes, the more sinister becomes the image of communism as an idea and as a social movement in the description of imperialist propaganda and the more violently real socialism is slandered. All advantages, achievements and prerequisites created by real socialism are negatively judged by anticommunism; they do not allow the truth. Thus, anticommunism and its nucleus--anti-Sovietism--are the most reactionary and aggressive characteristic traits of imperialist ideology in their political function and their theoretical essence; they are the connecting elements and, above all, the main essence of imperialist ideology.

Anticommunist thoughts and actions have always been associated with narrowmindedness. However, the present-day gross and militant anticommunism, which is particularly widespread--while more subtle and masked methods of anticommunism are being pursued and developed at the same time--operates mainly with direct lies and forgeries, with intentional misinformation and deliberate slanders. This form of gross anticommunism is mainly interested in actually slandering socialism as a purpose in itself. It appears particularly clearly in the anti-Soviet legend about the "threat," which long ago developed into an entire, large complex of distortions and lies concerning all spheres of social life and activities in the Soviet Union and within socialism as a whole and which can be found in all bourgeois social sciences.

It is a task of historical importance to inflict a serious blow against the system of anticommunist lies. All our social science sectors must organize a large-scale attack against the multifarious variations of anticommunism and anti-Sovietism in the economic, political, military, philosophical, historical and socio-psychological spheres.

The historical defeats of imperialism increase its hatred of social progress and its striving to stop the advance of socialism. Imperialism does not wish to resign itself to the basic shift in the balance of forces to the advantage of socialism, of the national liberation movement and of the international workers movement. The goal of imperialist policy is to arrest further positive changes in the world situation to the advantage of socialism and peace through forced rearmament, through fanning anticommunist and anti-Soviet hysteria and through provoking international conflicts.

In connection with the transition to the policy of confrontation, the United States and NATO are intensifying a policy of differentiation in their relations with the socialist states, which is aimed at weakening the socialist states' community. During the sixties, Brzezinski developed the so-called "East European differentiation concept." It is aimed at fanning nationalist, antisocialist and anti-Soviet trends such as the so-called "liberalization" of public life in the socialist countries. NATO is working and has been working for years on it, coordinating its activities on the basis of that concept. Imperialism's goal is being applied at present in particular by directly and indirectly supporting antisocialist and counterrevolutionary forces in the Polish People's Republic, as it is being done by U.S. imperialism, the FRG and other NATO member-countries.

Although there was much talk recently about noninterference, the U.S., FRG and the other imperialists have accorded financial aid to the antisocialist forces in the Polish People's Republic through various organizations and are giving them ideological assistance by propagating the demands of the antisocialist forces on a large scale and in great detail through their radio and television stations.

That is where the hopes of imperialism are being unmistakably expressed. The hopes are based on further fanning unrest, on preventing a stabilization of the situation, on weakening socialist power and above all the power of the PZPR. Imperialism is pursuing its goals according to a three-step plan of "erosion" of socialism in the following order: "Preparation," "reform" and "restoration." The plan is not only directed against socialist People's Poland, but also represents a concept of weakening the entire socialist community, which is intended to be applied against these countries.

As the Moscow meeting of leading representatives of Warsaw Pact member-countries and the statement of our party's Politburo on the subject expressed, we are convinced that the communists, the workers class and the working people of fraternal Poland will be capable of overcoming the existing difficulties and will safeguard their country's further development along the path of socialism.

The fact should not be overlooked that the imperialist bourgeoisie is trying to link together and rally the most varied political-ideological currents, such as social reformism, revisionism, and "leftwing" radicalism in a vast anticommunist front, so as to take advantage of them for the struggle against real socialism and in order to firmly integrate them into a total imperialist strategy. That is why the effective and successful confrontation with the revisionist, reformist and "leftwing" radical attacks against real socialism represent an essential part of the intellectual offensive of Marxism-Leninism against imperialism. This also comprises the confrontation with the policy and ideology of the Beijing leaders, who recently confirmed on several occasions their full unanimity with the U.S. and NATO policy directed against the Soviet Union and the socialist community.

History confirms that the flood of counterrevolutionary activities is simultaneously accompanied by a great number of revisionist and opportunistic attacks against the theories of Marxism-Leninism. Actually, the attacks concern all questions of the party's role, of the socialist state and of the revolutionary process. We consider it a task of primary importance for our social scientists to consistently defend Marxism-Leninism against revisionist attacks on all these issues, and that they should at the same time, on the basis of our own experience and on the basis of the experience of the international communist movement, creatively continue to develop Marxism-Leninism.

Marx, Engels and Lenin have always stated that the workers' class can implement its historical mission of overthrowing the capitalist society and establishing a socialist one, not in spontaneous actions, but through a conscious political struggle. In order to wage that struggle, in order to combine scientific socialism with the workers movement, the workers class needs its revolutionary party as its conscious and well-organized vanguard. Only the party is capable of defending the true interests of the workers class and of the other working people.

This tenet of Marxism-Leninism has been confirmed by the history of the German workers movement on thousands of occasions. If the workers class was not able to defeat the power of the capitalists and big landowners during the revolution of November 1918 and to establish a socialist republic as Karl Liebknecht wished, the main reason for the failure was the absence of a revolutionary Marxist party. The Communist Party of Germany, which was established in December 1918, was no longer capable of averting the defeat of revolution.

The fact that after the liberation from Hitler's fascism it became possible to establish a workers and peasants government in one part of Germany was due to the decisive prerequisite of overcoming the split in the workers class, thanks to the creation of the SED under the leadership of Wilhelm Pieck and Otto Grotewohl in April 1946. If people say that this became possible because the Red Army demanded it then we can say that in the Western zones the unity of the workers class on a revolutionary basis was prevented by the imperialist occupation forces.

Today the SED has over two million members and candidate members. As to their social origins, 57.6 percent of them comes from the workers class. Our party has acquired great experience in implementing socialist revolution in the GDR. It has developed into an unshakable militant alliance of the communists, both from the ideological and organizational points of view. In preparing the 10th SED Congress we can justifiably ascertain that our party is closely united and unanimously approves the policy of the Central Committee and that it is firmly united around Comrade Erich Honecker, our SED Central Committee general secretary.

The strength of our party does not lie only in its ideological and organizational cohesion, but also in its grounding on Marxism-Leninism. Its strength lies in the party's solid alliance with the people. We will always remain loyal to the principle of a close and trusting cohesion between the party and the people's masses.

Our party's policy is aimed, as the party program defines, at further comprehensive consolidation of the socialist state of workers and peasants in the form of a proletarian dictatorship.

We adhere to the theories of Marxism-Leninism and we are creatively applying them. In his work "State and Revolution" Lenin, as it is well-known, wrote: "Only the one who extends recognition of the class struggle to recognition of proletarian dictatorship can be called a true Marxist. This is where the great difference between Marxists and average petite bourgeoisie (or upper class bourgeoisie) lies. This is the touchstone of true understanding and recognition of Marxism." (V.I. Lenin, COLLECTED WORKS, Volume 25, page 424).

Our party has never, at any time, tolerated impairing the power of the workers class. On the contrary, it has done everything within its power to constantly strengthen the power of workers and peasants because it is a prerequisite to establishing a socialist society and widely expanding socialist democracy. All experiences of the struggle waged by the revolutionary workers movement--including our own experience--teach us that without the power of workers and peasants no socialist society has ever been established, the interests of the workers class could have never been defended and no socialism could exist without it.

Further expanding and perfecting socialist democracy is the main goal toward which our socialist national power advances. That is why we are encouraging the initiatives of the working people to implement their state and social tasks.

It is part of the function of our socialist country to organize the defense of the country and to safeguard the reliable protection of socialist law and order and of the citizens' peaceful existence. Our National People's Army and the other armed organs have adequate political and military training as well as weapons at their disposal. The "Comradeship in Arms 80" joint military exercises impressively confirmed the fact that the National People's Army, side by side with the armed forces of the socialist military coalition, are well capable of successfully defending socialism.

"Let Us Not Give Any Chance to the Enemy"--this slogan does not only apply to the aggressive, revanchist forces of imperialism, it applies equally to any attempt to question the leading role of the workers class and socialist state power. It is the iron law, it must always be our indomitable will. It is how we implement the legacy of Karl Liebknecht and Rosa Luxemburg, of Ernst Thaelmann and of all those who sacrificed their lives to the struggle for the victory of the workers and peasants' power and for the sake of socialism.

So-called "pluralistic socialism" is playing a particular role among the reformist and revisionist theories and "models" which are directed against real socialism and which are being eagerly adopted and widely propagated by the imperialist mass media. This "model" is proclaiming a so-called "ideological pluralism" which should lead to "organizational pluralism" of exercising power. Differences in interests are absolutized and contrasting interests are described as basically existing within socialist society as well. This theory, as it has been confirmed, is actually directed against the leading role of the party and the workers class and against the political organizational of socialist society. It is a concept concocted according to the model of the Western, bourgeois fake "democracy," with socialist trimming.

Of course, there are differences among social classes, strata and groups, among the collectives and between individuals and the community within a socialist society. We take the differences into consideration in our party policy. However, there is no antagonism in the differences of interests, there is no insurmountable contrast; the differences must not lead to conflicts of interests, for there is no socially fertile soil for such conflicts within socialist society.

Social ownership of production means, the people's property and cooperative property--the socialist planned economy--all these things do not produce differences and conflicts among the producers, but a coincidence of interests and comradely cooperation, which means socialist production relations. The real participation of socialist owners--the workers class and the other working people--in management and planning, in the exercise of power and in socialist democracy--this participation makes real representation of the citizens interests possible, of course, taking into consideration the observance of common social interests which have priority. Antisocialist associations and actions have no place in a developed socialist society, but there is enough room for the joint actions of all united forces within the bloc of democratic parties and mass organizations.

One of our most valuable experiences consists in the establishment of the unity of the workers class--the creation of the SED. This action made a strong alliance of the workers class and the peasants with the other strata of the population possible. Thanks to the alliance of the workers class with all other working people under the leadership of our party, the roots of fascism and militarism could be eradicated and a basic innovation of the comprehensive social life of people in the GDR could be achieved. Thanks to the alliance we were able to stand many trials in class confrontation with imperialism throughout the past years. It was and is of decisive importance for the comprehensive development of our republic. At the same time it is a characteristic feature of the development of real socialist democracy in our country.

Thus the parties and mass organizations, united in the GDR National Front, are playing a great role in the dynamic development of the economy, in shaping our entire social life, in consolidating the workers and peasants power and in developing our international stands. The friendly parties, which address certain social strata, actively work within the National Front and recognize the leading role of the workers class and its Marxist-Leninist party.

A great role is played by the FDGB with its 8.8 million members. The trade unions, as Lenin stated, are "schools of socialism." They play their due role in exercising power and develop great initiatives in implementing socialist competition and in accomplishing production tasks. At the same time they represent the social and other interests of workers and employees.

Since the Eighth SED Congress, in particular, the FDGB has had a great share in implementing a coordinated economic and social policy. Last, but not least, this is due to the two million honorary trustees who are elected by the working collectives. They exert great influence upon the comprehensive activities of the trade unions. There are more honorary trade union functionaries than there are party members in our country.

There are no "solved" problems in history. History must be consulted time and again on the basis of given circumstances and necessities. This has nothing in common with an "opportunistic rewriting" of history.

Our picture of history is by no means limited to the short century and a half, that has elapsed since the development of the modern workers class and is not restricted to the activities of our class. Socialist GDR is the objective result of German history in its entire process since the very beginning of this country. In that respect our state is the glorious apogee of a centuries-old struggle waged by all progressive forces of the German people for democracy, humanitarianism and social progress. Therefore, we consider all progressive traditions of German history--in all their extent and differentiation--as our own.

In those places where the reactionary traditions, hostile to the people of the German past are being applied and continued in practice, where those traditions are being ideologically underplayed and even sometimes glorified, people have no right to refer to German history as their own. The ideals of the great philosophers and poets in the 1,000-year-old history of Germany, the hopes of many generations of working people and the legacy of the revolutionary struggles waged throughout many centuries have been preserved here, in our country. Here they are practically applied by our policy of peace, in a society where the basic rights of working people have been implemented and are being preserved.

The thesis maintained in the FRG about a common history of the German people is by no means sustainable because of the irrevocable events and facts of the last three decades. The thesis represents a mere cover for revanchism. The thesis can, at the same time, hardly conceal the fact that the objective attitudes of the two German states toward the past are utterly opposed to each other. There can be no "open German issue" in this respect either. The GDR represents the continuation of all progressive, humanitarian, and revolutionary elements in German history. The exploiting, ruling class in the FRG, however, has no right whatsoever, in order to justify its policy, to refer to the traditions of those forces and movements which had always been oppressed, persecuted and even perfidiously murdered by that same exploiting class.

If we talk about the vast dimensions of our historical picture, we must also be capable of thoroughly and comprehensively analyzing and describing all the complicated processes, all the contradictory events and personalities of our history--we must objectively judge them according to the criteria of their epoch, without embellishing anything, but also without any one-sided judgments. The discussion about Prussia is a good example.

In connection with installing the famous equestrian monument of Frederick II, a work of the artist Christian Daniel Rauch, which was necessary to complete the architectural structure of the Unter den Linden forum, a great noise was raised in the Western media claiming a so-called "new Prussian image in the GDR." Allegedly, Prussia and everything Prussian are now "mightily in" in the GDR, as people in the West say. Of course, none of it is true and can be easily disavowed.

We do not cultivate that image of Prussia which has always been favored in the FRG--as is demonstrated by the parades of revanchist groups and organizations, that are the direct successors of the SS, as demonstrated by the so-called Hitler wave and by right-wing extremism. We have transformed the former arsenal of Prussia into a museum of German history and we have rebuilt the "new guard" created by Schinkel into a monument to the victims of fascism and militarism. The fact that we erected the equestrian statue of Frederick II is a tribute to the art of the sculptor Rauch--a well-deserved credit, indeed. It has no symbolic significance whatsoever, it is no political demonstration that should mark the beginning of a new "Prussian image," no matter how hard Western opinion-makers try to assert it.

Unter den Linden, together with the Marx-Engels Square belongs to one of the most beautiful creations of architecture and city development in our capital, which comprises the area down to Alexander Square. Works of sculpture are envisaged playing a great role in the further development of this city center. The most important project in that respect is construction of a Marx and Engels monument complex facing the Palace of the Republic, a project which has already been started.

As one of the German territorial states, Prussia has greatly influenced our history since the 17th century. Any serious historical research on the transition from feudalism to capitalism in Germany, of the capitalist period and finally, of imperialist development cannot help noting that fact. Common social laws, and different class forces also acted in the history of Prussia and apply to it. The dialectics of reactionary and progressive elements and the influence of the people's masses existed in Prussia. There were numerous progressive traditions which influenced Prussia as well.

The example of Prussian history serves our contemporary historical science in its intensive research of general historical-materialistic points of view, especially concerning the question of the share of the exploiting classes, or of individual representatives of those classes, in the promotion of social progress--above all as regards the first periods of the rise of feudalism and capitalism.

It is a question of a more thorough analysis of facts and not of "rewriting" history. We are not giving up our established and confirmed concepts. Our Marxist-Leninist view of Prussia includes the sharp principled controversy with the reactionary and antiprogressive features which always prevailed in the Prussian state system. We will not deviate from those positions which the revolutionary German workers movement adopted in the struggle against reactionary Prussia, taking into consideration the reactionary Prussian wave which is now prevailing in the FRG. However, as a class which--along with social revolution--has eliminated all social roots of reactionary Prussia on our territory, we are at the same time making accessible to our people all the lasting, positive and progressive values which existed in the history of Prussia and which belong to the traditions of the socialist German nation.

We are, naturally, opposed to any one-sided historical research on Prussia. Our historians should also devote themselves to historical research on other territories, especially of those with whose history, works of art and monuments the citizens of the GDR are being constantly confronted, such as the history of Saxony, Thuringia, Mecklenburg, and others.

GUENTER MITTAG SPEAKS TO MANSFELD WORKERS

LD052250 East Berlin Voice of the GDR Domestic Service in German 1705 GMT 5 Jan 81

[Speech by Guenter Mittag, member of the GDR Council of State, at a meeting with Mansfeld workers on 5 January--recorded]

[Text] Dear Mansfeld workers, the 13th Central Committee meeting recently discussed the tasks of the 1981 economic plan and the People's Chamber passed the laws on the 1981 economic plan and the 1981 budget. The road has thus been clearly mapped out for the GDR's steady economic and social advance.

These exacting and realistic targets for 1981 show that we are continuing the proven course of our main task. We are keeping up a rapid rate of economic growth. We shall produce more, and practically use no more energy and raw materials than in 1980. We shall implement our scheduled aims of social policy. Net money incomes and retail sales will rise by 4 percent this year. We shall keep our policy of stable prices for basic goods, rents and services. We are always guided by the maxim that the wealth the people create must benefit them. On the other hand, every citizen knows that we can consume only what has been produced. It is to perpetuate this condition that we are strengthening the power of the working class in alliance with the socialist intelligentsia, the cooperative peasants and all sections of our people. That is why we have developed and are consolidating our socialist planned economy; are doing everything to expand our raw materials base and to apply the latest technology, particularly microelectronics, on a broad scale in order to turn out the quality goods we can export on favorable terms and which we need to improve supplies at home.

The GDR is one of the world's 10 major industrial states--and so it will remain. Thus we shall determine the strength of socialism and the cultural and material living standards of our people. We are determined to carry on the struggle. We shall respond with new feats to new challenges. You, the workers of the Wilhelm Pieck Mansfeld combine, have always marched in the forefront of those who, with devotion and ingenuity, are fighting to strengthen the GDR's capacity. No need for big speeches here on the whys and wherefores. Everyone here understands the class duty of a worker, a member of the socialist intelligentsia, indeed of every working person in our republic.

BRIEFS

COOPERATIVE MEMBER TRAINING--The 30th course has ended at the Dresden International Cooperative School of the GDR Federation of Cooperatives. It was attended, among others by cooperative members from Mozambique, Benin, Ethiopia, Algeria and India. During their stay they studied the structure and work of cooperative trade in towns and villages. Since the schools' founding in 1961 some 1,200 cooperative members from 45 countries have attended 5-month courses or short courses at the Dresden school. Most students have come from African or Asian countries. [East Berlin NEUES DEUTSCHLAND in German 29 Dec 80 p 2 AU]

SRV EXPERTS TRAINING--Thirty Vietnamese experts have completed several months of practical training at the Eibenstock state forestry enterprise. Central to the course was the management and organization of effective forestry enterprises. On prolonged tours of duty, leading staff workers of the Eibenstock enterprise have studied forestry conditions in Vietnam and have assisted their colleagues in eliminating the war damages in the forests. [East Berlin NEUES DEUTSCHLAND in German 30 Dec 80 p 2 AU]

POTASH PLANT PRODUCTION--The Werra potash plant has exceeded the target set for itself at the Ninth SED Congress by turning out more than 1 million tons of high-quality potassium chloride fertilizer. Thus, 1980 was the plant's most successful year since its founding. The plant exports about 90 percent of its potash. It is planned to cut down the losses incurred in the mining process through science and technology. [East Berlin Domestic Television Service in German 1831 GMT 1 Jan 81 DW]

TRANSPORTATION STATISTICS--In 1980 the GDR railroad increased its freight shipments by 12 million tons and thus helped save 100,000 tons of diesel fuel on the roads. [East Berlin Domestic Television Service in German 1832 GMT 1 Jan 81 DW]

VEHICLE STATISTICS--Vehicle traffic on GDR roads became heavier again this year. On 30 September some 4.6 million registered vehicles were counted. The greatest share of the overall figure was held by automobiles, amounting to more than 58 percent. More than one out of every three households owns an automobile today. [Text] [East Berlin Voice of the GDR Domestic Service in German 0908 GMT 31 Dec 80 DW]

BIRTH RATE IN 1981--By the end of November, 224,756 babies had been born in the GDR. Dr Helga Rayner, head of the sector for the protection of the health of mothers and children in the GDR Health Ministry, traced this continuous increase in the birth rate of almost 4 percent to the family-oriented social policy of the SED and socialist state. [East Berlin NEUES DEUTSCHLAND in German 29 Dec 80 p 1 AU]

OFFICIALS ADDRESS NATIONAL ASSEMBLY 18 DECEMBER

Havasi on Sixth 5-Year Plan

LD191334 Budapest Domestic Service in Hungarian 1730 GMT 18 Dec 80

[Report on speech by Ferenc Havasi, MSZMP Central Committee secretary, at 18 December meeting of National Assembly in Budapest--passages within quotation marks recorded]

[Text] The National Assembly's winter session is continuing its work. The subject of today's discussion is the Sixth 5-Year Plan. The first speaker was Ferenc Havasi, MSZMP Central Committee secretary:

"Constructive work, the building of socialism, requires peace. Peace, the relaxation of tension, is of vital interest to all mankind. It is our conviction and our firm principled stance that controversial international questions can be settled by political means, through negotiations. It is the firm determination of the socialist countries to contribute further to making the international atmosphere healthier, to consolidating peace, to continuing the policy of detente, to the development of international cooperation and to the solution of every conflict by way of negotiations. The recent Moscow meeting of the leaders of the Warsaw Pact member states adopted a stance in this spirit. Disarmament, equal security attained at a lower level or armaments, and detente promote the rapprochement of peoples and the deepening of economic relations and help to master such global problems as the energy and food shortage, the rational exploitation of natural resources and the protection of man's environment.

"We cannot change the world economy nor can we turn our backs on it. We cannot cater to self-sufficiency. Our country's economy is relying to a considerable extent on foreign trade. So we have no other choice than to adapt to the world while preserving our individuality and adhering to our principles. This situation is a blow of fate only if we do not turn it to our advantage within the shortest possible time.

"As we examine domestic conditions at the start of the Sixth 5-Year Plan, we are mainly trying to find the answer to the question: To what degree can our national economy adapt itself to the changed and the currently also quickly changing external conditions? With self-criticism, we can admit that we might be in a somewhat more favorable position had we drawn somewhat earlier during the Fifth 5-Year Plan period the economic and social lessons resulting from the changes of the external and internal economic conditions and had we been more consistent in decisionmaking as well as execution.

"For a long time we have identified economic development with quantitative growth which in a certain period was correct as well as necessary. In our era, progress is marked by such qualitative criteria as modernity, profitability and competitiveness. An economy which is capable of forceful changes and of a flexible adaptation to circumstances is really dynamic. We have drawn the conclusion that, at a time when foreign economic conditions are rapidly changing and in a not exactly foreseeable manner and degree, planning and economic direction must be made adaptable for a flexible reaction and for the necessary steps to be taken.

"Analyzing the experiences of the Fifth 5-Year Plan, we can say that the activities of the central planning and directing organs have at times not been adequately coordinated. It results partly from this that delays in decisionmaking and inconsistent implementation have both been apparent. For this reason we have changed and are changing the organizing and decisionmaking method of economic direction.

Our aim is that the organs of direction should be fewer in number and conduct their activities at a higher standard, efficiently organizing implementation not by duplicating but by strengthening each other's work, organizing the attainment of the plan's targets, and helping the expansion of the enterprises' initiatives and management responsibilities.

"The harmonization of government work is assisted by the reorganization of the competence and sphere of activities of the state planning committee and the economic committee [both committees as heard], by the modernization of industrial direction, and by the price and control system introduced in 1980 which has been successful in its essentials and is adequately serving the attainment of our targets. In economic direction and in the enhancement of the economy's efficiency an outstanding place is occupied by those measures which are aimed at the development of the organizational, decisionmaking and internal management incentive systems of the enterprise. The stepping up of international competitiveness, the elastic adaptation of production to changing requirements, the increase of enterprise independence and with this the increase in responsibility, the development of the initiating power of workers and collectives, the mobilization of hidden reserves--all this makes it necessary for us to review the enterprises' organizational system and internal mechanism which developed in previous years. This is not a campaign task and cannot be reduced merely to the decentralization of trusts embracing enterprises and factories conducting identical activities and of large-scale enterprises of nationwide importance. More efficacious work requires modifications of internal direction and incentive changes, and changes and renewal of contents." [as heard]

The Central Committee secretary then gave his reasons why it is not possible to plan economic growth of more than 3 percent annually.

"If it were to depend only on us, we would--since it would be to our liking--plan a considerably faster rate of growth, but we can see clearly that our wishes cannot be translated into plans, that we cannot divorce ourselves from reality. Take an example from the world of motoring; it is not always and in every circumstance possible to accelerate. If road conditions and visibility so require, it is necessary to know how to brake and slow down. It is a considerable achievement of our economic planning that in recent years it has succeeded in holding back the rate of growth in such a way that the foreign trade balance has been more favorable than planned, that there was continuity and progress in production and consumption, and that a break and appreciable regression were avoided.

"The central aim of the 1981-85 plan period is still the improvement of balance, and we subordinate to this the development of the growth rate. A faster than scheduled growth rate would bring with it a deterioration in the state of balance, becasue it would require extensive imports which we could not as yet counterbalance with profitable exports. Our industrial production's [share of exports of] approximately one-third is in fact, with regard to modernity and profitability, today still not satisfactory. It requires support, and so it is very important that we should change this situation within a short time.

"More moderate growth does not rule out and even demands dynamic development of the activities of certain sectors and enterprises. Those enterprises, able to expand their exports and increase imports with profit and able to satisfy domestic demand having money to pay for goods, can increase their production faster than average. The main task of enterprises which do not satisfy these requirements is the modernization of production, rendering it more profitable, and if there is no possibility of this then their task is the gradual reduction of possible discontinuation of production.

If workers cannot be employed productively at a certain place then they must be redirected to other activities which are useful to the national economy. The lower growth rate generally enables and forces the modification of the production system, enhancement of competitiveness and more profitable work.

"We cannot exaggerate the moderation of accumulation either, because a proportion of accumulation less than this would endanger the attainment of developments which form the basis of our future.

"The program of stabilization of the standard of living, which the Central Committee recommends for adoption on the basis of extensive and multifaceted evaluation, is by no means to be lightly dismissed. We must preserve the real incomes which have more than doubled in 20 years, maintain the annual construction rate of 7-8 apartments per 1,000 inhabitants, corresponding to the European average, modernize homes and preserve the possibility of the use and further purchase of the now nearly 1 million private cars, travels abroad of some 5 million people annually, the rule of law, public security, the tranquillity of people and all the material, intellectual and moral values which the diligence of Hungarians has accumulated in this country.

"Let me quote from a newspaper of one of the world's generally acknowledged richest countries, Saudi Arabia, an article published on 25 October this year. I quote from this because similar things are quite often written in the European press: Hungary appears to be an oasis of stability. We find here an abundance of goods lacking in several European countries. The shops are full of consumer goods and there is much food. Political and social life too are permeated by the spirit of tolerance--this is what the aforementioned newspaper writes.

"If we still have unresolved worries, if there are still individuals and families whose concerns must be helped increasingly by the big family, these are problems of our society and we do not trust their solution to anyone else.

"It is a just social requirement, for example, that the wage system should provide an incentive for better work, that wages should be proportionate to the work done. A material interestedness is necessary for encouraging the will to act, stimulates thought, initiative and the development of the willingness to work. The new formulas for wage scales coming into use next year will provide an adequate possibility for the existing scale of wages, independent of the effectiveness of management, and should come more into harmony with work and with achievements. To this end it is also necessary that the leaders should make courageous use of the tools of differentiation.

"Those whose security of existence depends on cash social benefits, must, if necessary, also receive personal guarantees. Such guarantees are needed first of all by those who live on pensions which are lower than the average, as well as by families with several children. For this reason it is a priority sociopolitical objective to maintain the real value of lower than average pensions, of family allowances paid for three or more children, and of food norms in the health, education and social institutions which provide board. As there is no possibility for comprehensive and significant measures to increase incomes that would affect a wide range of the population in the sphere of social benefits, we can only, in accordance with social justice, provide priority for the strata most in need and in positions of disadvantage. This is what we have also done in the difficult conditions of the last 2 years when, from our straitened means, we improved the condition of those most in need, the low-income pensioners, the families with three or more children and those receiving assistance.

"We can only talk substantively about maintaining the achieved standard of living, about an effective material incentive, if the goods supply does not deteriorate, if possibly it even improves, if the population can purchase for money good quality products which satisfy its needs, requirements, tastes, in civilized conditions, and if it receives service of a higher standard. For this reason it is important also in the future to maintain the well proven order of our economic life, whereby there is a solid fund of goods behind purchasing power and every outflow of income.

"The improvement in the housing situation remains one of the major sociopolitical tasks. Beyond the construction of new apartments, we must make progress also in fairer distribution and a more flexible management of apartments. We consider better health care of the population an important task. Even in the present circumstances, we devote 30 percent more to its development than in the previous 5-year plan.

"The education of the new generation and the fast growth in the number of general school pupils has focused attention on the need to ensure adequate conditions for public education at the required level.

Social efforts have shown outstanding results in the construction of nursery schools recently. Now incorporated in the plan the main purpose is to organize suitable social actions for the improvement in conditions of general school education. "In the improvement of living conditions especially, new projects mean obvious and spectacular changes. Many other opportunities are open, on the other hand, for the improvement of living conditions and for favorably influencing the mood of society with relatively small material contributions or in many instances even without them. The improvement in living conditions is served also by proposals such as the one which, if the esteemed National Assembly adopts and sanctions it, reduces the time of draft service from 24 to 18 months beginning 1981. A similar but by its implications even greater and more significant measure is that in accordance with the resolution of the 12th congress, as of 1 January 1982 at enterprises working continuously in three shifts the change to a 5-day week can begin from the middle of 1981 with a 42-hour working week [all dates as heard]. This measure makes it possible to end the present practice whereby mealtimes are counted as times of work at some workplaces and not at other places.

"The development of living conditions, even if modestly, can be affected positively by the activity of the so-called secondary economy. This productivity has expanded in recent years; the majority is work done legally and organized or controlled socially, but this economy also has invisible and hidden forms, so that its existence shows also negative phenomena, such as the exploitation of a monopoly situation or clever tricks, so the social evaluation of its role is contradictory.

"Secondary economic activity is essentially and naturally a necessary and useful activity. We support it, because this is to society's and also the individual's advantage. Secondary economic activity did not have to be created. It has developed and it exists because unsatisfied demands and objective needs have brought it about. Some of the reasons go back a long way, to nationalization and the local development of the smallholders' organization into cooperatives, to the changing views on the place and role of the remaining small craftsmen and traders and on the role of the ancillary industrial activities of farming cooperatives, and to the increase of the share of goods production to the detriment of services in the case of industrial cooperatives. In those times, of course, we could not foresee that 30 years later personal property would be so extensive and the maintenance, upkeep and repair of the population's durable goods would require so much skilled labor. We did not plan the new enterprises for major jobs and services for the population.

For a long time prices and wages have not justly rewarded work of this kind, and the large-scale enterprise organization is not suitable for the rational and above all profitable rendering of such services. It was thus that various forms of concealed working activity have spread, monopoly situations have developed and so-called black price scales have come about. The problems cannot be solved by moralizing or by administrative means.

"If we want to remain in competition, a compelling necessity, we cannot make reference only to the past or the domestic average. We cannot shy from the challenge of international economics. We must adjust our standard to the requirements of the international economic world. What we have not yet done on our own initiative we are now made to do by the hard facts of life and the economy and by the more difficult domestic and external conditions of our development. The fulfillment of the targets of the Sixth 5-Year Plan can enable us to create favorable conditions in our country for social and economic progress in the eighties.

"On behalf of the MSZMP Central Committee and on my own behalf I give approval of the bill and recommend the esteemed National Assembly to adopt it."

Czinege on Service Reduction

LD182350 Budapest Domestic Service in Hungarian 1730 GMT 18 Dec 80

[Excerpts of speech delivered by Lajos Czinege, Hungarian minister of defense, in National Assembly on 18 December--recorded]

[Text] Esteemed National Assembly, comrade chairman and comrade deputies. It is now nearly 5 years since the National Assembly passed the 1976 No 1 law on national defense. Now that on the instruction of the Council of Ministers I am submitting a proposal for the amendment of the act, I may report with respect that our defense law has stood the test of practice.

Since the law came into force, by taking into account the changes that have taken place in our society, the defense of our homeland and our system and our commitments to our allies, we have examined in a comprehensive way the possibilities for reducing the length of conscripts' service. We have concluded that conditions now prevail for the reduction of the conscripts' length of service from 24 months to 18 months.

Esteemed National Assembly, allow me to outline briefly the essence of the reasons and conditions behind this. The general preparedness of young people has improved and the vast majority of those liable for military service have either received skilled worker training or have completed their studies at secondary educational establishments. They are capable of mastering military skills in a shorter period of time.

It is a well-known fact that we call up those liable for military service on average at the age of 22 and not at the beginning of the conscription age, those in the 18-20 age-group. As a consequence of this, 30-32 percent of conscripts are married and half of these have one or two children. A service period of 18 months will contribute toward a significant reduction in the average age of those called up, and thus, of the proportion of those who are married and have families.

A new method of judging medical fitness, which is more in line with requirements and more differentiated, has been introduced over the past few years as a result of which the proportion of those fit for military service has increased from the previous 70 percent to 84 percent.

The number of those liable for military service will increase in the 1980's which means that the need of the armed forces for conscripts can be assured continuously and we can also assert the principle of calling up all young men fit for military service.

This means that within the same period we can train 25 percent more soldiers. That is to say, the well trained personnel reserve of our armed forces can increase at a faster rate and its age composition will improve.

We must speak about some practical issues as well. A primary political, moral and service duty for the army of the socialist state, its armed forces and armed bodies, has always been that if the country and the people are struck by some kind of natural disaster the army should struggle in the first line to overcome it and to defend life and material goods belonging to the community or to the individuals. This will remain our duty in the future as well, whatever the period of service.

According to our preliminary calculations we will be able to help agriculture during the peak period of harvesting work in the fall to about the same extent as in the past. The task of technical forces working on large investment projects of the people's economy will remain unchanged. At the same time there will be a substantial reduction in opportunities for the army, the armed forces, to take on duties other than those already mentioned and to help directly individual enterprises and institutions over and above the high-level performance of their basic duties.

We will start the introduction of the 18 month service period in 1981 and we will complete it in 1982. As regards those now doing military service, they too, having become part of this process, will serve a somewhat shorter period. In the future the changeover between the different age groups of the vast majority of conscripts, namely demobilization and calling up, will take place twice a year, always at the same time, during the spring and the fall.

Esteemed National Assembly, I have been talking about favorable conditions. We must work hard and long to ensure that these conditions give rise to achievements that accord with our intentions. The professional staff, above all, will have to deal with more tasks. They must train soldiers in a shorter period of time in accordance with the standards of growing requirements. Conscripts must study and carry out their duties in service with even greater devotion and more discipline. I am using the word "must" deliberately and with emphasis.

All this must be done because the evolution of the international situation in a way contrary to our intentions--as described by Comrades Faluvegi and Ferenc Havasi--requires that we must further improve the training, preparedness, readiness for action and combat-capability of the army and the armed forces.

The situation demands that our armed forces, the Hungarian People's Army, should be able and prepared at all times to carry out its honorable duty with which it is entrusted by the people, for the defense of the homeland and of the socialist system. It must, under all circumstances, be a worthy partner of its allies, the Soviet Army and the other fraternal armies rallied together by the Warsaw Pact.

We understand and are aware of our commitments; that is to say, to husband our resources, work and serve even more effectively so that we can keep the trust and respect of our party and our people.

[Budapest Domestic Television Service at 1710 GMT on 18 December carries shorter extracts from Czinega's speech following which the television announcer says: "The National Assembly approved the proposal submitted by the minister of defense for the amendment of the act."]

Hetenyi Presents State Budget

AU051043 Budapest NEPSZABADSAG in Hungarian 19 Dec 80 pp 4,5

[Speech by Minister of Finance Istvan Hetenyi at the 18 December session of the Hungarian National Assembly]

[Text] Esteemed National Assembly: The 1981 budget being submitted by the government serves the objectives of the Sixth 5-Year Plan that has now been endorsed and is in conformity with the 1981 plan for the people's economy. Its provisions make allowances for the effects of this year's processes and anticipated conditions for economic activity.

There are only a few more days left of the year, but it is already no longer in doubt that in 1980, as in 1979, further progress has been made in accomplishing the most important task: improving foreign trade accounts. The foreign trade deficit is less than last year's and less than the foreseen amount. This improvement was attained under conditions of slower economic growth than planned. The gross national product will be barely 1 percent more than last year.

The main reason is that industrial production will not increase this year, but is expected to stay somewhat below last year's level. The explanation for this unusual manifestation is that the domestic market required fewer goods than planned. We consumed less electricity and oil and the production of uneconomical and unnecessary goods was reduced at some chemical, light and machine industrial enterprises.

Agricultural production will increase, according to plan, 4-5 percent, which can be regarded as a good result in view of the unpredictability of this year's weather.

Consumption will increase to an extent similar to that of the gross national product; the per capita income of the population will remain at last year's level.

The amount of social benefits has increased and real wages will be lower than last year, but they have not changed compared with the second half of 1979. The investment volume is 7-8 percent lower than last year.

The stability of domestic markets has improved somewhat. This applies to consumer supplies, the market of investment assets and interrelations between construction supply and demand alike. The unsatisfied workforce demand of enterprises is also somewhat less than previously.

Enterprise Interest and Profit

The development of the economic situation this year was an integral continuation of the processes introduced in 1979. In addition to purposeful political work and an improvement of economic direction and management, a few essential changes of the economic regulators have played a role in this.

At most industrial sectors, the price system and mechanism introduced at the beginning of the year are creating a more direct linkage than previously between world market and domestic prices. Thus, they can exercise a desirable effect on the production and sales structure.

The revenues and expenditures of the state budget exceed the estimates, but the deficit is ranging around the planned 4.5 billion forints. We will provide a detailed account on the disparity between projected and actual revenues and expenditures in our final balance sheet.

The payments received from enterprises and cooperatives developed favorably. Their bulk served to defray the extra subsidies required to maintain the planned consumer price level. [paragraph continues]

We have allotted more than planned to social public expenditure accounting for the largest portion of budget expenditures. During the year, we increased the allowances of families with three or more children, people raising two children on their own and people caring for handicapped children.

We will spend 13 billion forints more than last year on institutions financed from the budget. Endowments will be improved by an additional 2,300 hospital beds, as well as 5,200 day nursery, 24,000 kindergarten and 1,500 social home places this year. The implementation of state investments is also proceeding at a favorable pace in general. The state budget contributes 1.8 billion forints to stave off the consequences of the flood and inundation damage in the Tisza Basin.

The 1980 economic and financial processes comprehensively show that an economic policy putting a state of equilibrium first is beginning to assert itself on a wider scale in practical economic activity.

Developing efficiency to a greater extent, keeping a further improvement of economic equilibrium in the foreground and ensuring that the attained standard of living is retained remain the key tasks in 1981 as well.

Relying on a perceptible improvement of efficiency, an intensification of international competitiveness and not slackening requirements, the target in 1981 is a somewhat larger growth than in 1979-80; the task is to increase the gross national product 2-2.5 percent, industrial production 3-3.5 percent and agricultural production approximately 3 percent. As before, exports will have to increase considerably more rapidly than imports.

Through production and the expected development of prices in 1981, the overall revenue of the people's economy will increase 5-6 percent. Both the proposed revenues and expenditures of the state budget will exceed those of this year by 7.1 percent. The deficit of the budget amounts to 4.5 billion forints.

The payments received from enterprises and cooperatives, with subsidy reductions exceeding those of this year by 6.5 percent, are decisive in the budget's revenues. We expect enterprise profits to increase next year more than heretofore--by more than 10 percent in the economy as a whole.

Successful Management, Dynamic Development

Presumably, the objectives of the plan will have to be accomplished, as before, under difficulty--in certain respects, even increasingly difficult--foreign economic conditions.

Therefore, it is indispensable that material advantages should go with economical activity and disadvantages with uneconomical activity.

In their entirety, the regulators introduced in 1980 are suitable for this, and, therefore, we will not modify the financial regulators in general. A fairly extensive change of the financial regulators is the fact that city and village contributions, which amounted to 10 percent of profits to date, will increase to 15 percent beginning next year. The enterprise welfare and social fund of 950 forints per employee this year will increase next year to 1,000 forints.

Making the price mechanism operate more consistently will be one of the most important prerequisites for successful management in 1981. To be able to develop activity on the basis of consideration of lasting trends, enterprises must acquaint themselves better with the development of world market prices and the money market. We will continue to enable enterprises operating with above-average success to develop dynamically. [paragraph continues]

As for those lagging behind, they should catch up with the efficient ones as soon as possible, doing so by relying on their own resources and by intensifying their own capacity. We will, in the future as before, extend to them temporary central assistance. However, we will make this assistance subject to conditions.

Enterprise organization must also be adapted to the requirements of technical and economic development. We already took steps this year to modernize the organization of enterprises, and this work continues. In 1981, for instance, the coal mining trust will be liquidated and its enterprises will become independent. Several enterprises will be created out of the Lampart enamel industry plant and a few enterprises of the glass industry works and the fine ceramics works will become independent. Regulations that irrationally restrain enterprise activity spheres and create unjustified differences between the operational conditions of small and large enterprises and state enterprises and cooperatives are being reexamined.

The budget expenditures have a large role in the development of the standard of living and living conditions. The population receives one-third of its income through the budget, mainly through social benefits. Next year's plan for the people's economy calls for an increase of 1 percent in average per capita incomes. This will be made possible essentially through an increase of social benefits. There will be a planned 4.5-5 percent wage level increase, which, of course, will be differentiated according to enterprises and individuals.

In accordance with the 1981 plan, consumer prices will increase 4.5-5 percent; this corresponds to the wage level increase. The price level's increase will take place for the most part as a result of uncontrolled price changes; somewhat more than one-third of it will be the consequence of price increases by the authorities. In the first weeks of next year we will increase the prices of some--largely not basic--consumer goods and services. However, the prices of basic foodstuffs, such as, for instance, bread, lard, oil, meat and meat products, sugar, milk, or fuels, will remain unchanged. However, the prices of daily newspapers and periodicals and charges for certain postal services will increase. In their entirety, the official price increases to be made the beginning of the year will raise the consumer price level by approximately 1 percent. The reason for the official price increases is that the government resolutely intends that producer and consumer prices, even in the sphere of official prices, should not diverge lastingly and on a large scale from one another and that the principle should prevail more extensively that those who consume should pay the price corresponding to the real value of products.

At the same time, the price policy provides suitable guarantees for maintaining the standard of living. Thus, next year, the budget expenditure will be 10 percent--7 billion forints--higher for the purpose of subsidizing consumer prices than this year.

The estimated outlay of social public expenditures in 1981 will amount to almost 235 billion forints, 7.4 percent higher than in 1980, although, as far as possible, we will also have to lessen the increase of social public expenditures. The sum earmarked for health expenditures will be 8.5 percent higher than the 1980 expenditures. The system of our health institutions will be augmented by some 1,200 beds, and care will continue to improve in 1981. The material means will be provided for creating 25 additional general and 40 additional pediatric medical districts. For the fulfillment of cultural tasks, an allocation of 43 billion forints will be made. Because of the increase of school-age children, we intend to concentrate budget resources on developing general schools. There will be 1,100 general school classrooms built, and the number of student groups will increase by about 1,000. The rate of children receiving day care at general schools will be raised from 38 to 41 percent.

I would note at this point that the Council of Ministers has recently approved the proposals on transforming the research institute system. On their basis, several research institutes will be transferred to industrial enterprises and turned into development institutes or organs financed from the budget that provides research services.

Defense expenditures will increase to an extent similar to that of budget expenditures as a whole.

To Improve the Housing Situation

In establishing estimates, we took into consideration that, foreseeably, over 2 million people will receive pensions and allowances amounting to around 61 billion forints in 1981, 5 billion forints more than this year. Family allowances will be received by 1 million families having more than 2 children each. They will total 14.6 billion forints, 1.2 billion more than this year.

According to the plan, 76,000-78,000 new dwellings will be built in 1981. That is, unfortunately, fewer than this year, but our financial means do not permit more. At the same time, state subsidies for renovating housing will exceed this year's expected level by 15 percent. The government has implemented some significant measures recently to improve, beginning 1981, the system of housing management and distribute financial burdens more evenly. These measures will resolve a few of the issues raised by fellow deputies.

The main features of the changes are that we will extend the category of those who receive housing construction support and enhance the benefits of young people and people with large families.

On the other hand, to distribute the burden more fairly, we will increase the sum of the financial contributions of people who obtain rented state dwellings and dwellings allocated by the councils.

To satisfy the population's requirements better, we have, as of 1981, modified legal regulations pertaining to general income tax. The modification will ease the position of small artisans and private tradesmen who modernize their workplaces and of those who spend part of their incomes on expanding their productive activity, as well as of those who improve supplies at small villages.

The state budget's accumulation expenditure next year will amount to 67 billion forints--less than this year. This is consistent with the annual plan's call for the investment of 182 billion forints, less than this year. Even if scanty, this sum will be sufficient for continuing the investment projects that have been commenced and enable us to begin a few new economical investment projects.

As state investments, we will initiate the overhaul and expansion of the Szolnok paper mill, the widening of the Arpad bridge and, depending on progress in preparations, the construction of a few coal mines. Next year, we will allot almost 10 billion forints to our largest investment project, the Paks nuclear powerplant. We are earmarking considerable sums for metallurgical investments and for continuing the construction of the north-south line of the [Budapest] subway. We will increase the allotment to educational and health affairs investments. Almost three-fourths of productive investments will be implemented within the enterprise decisionmaking sphere. The new price system will extend a greater investment potential to enterprises capable of achieving more profitable development projects and showing greater profit.

Under the terms of the law on councils and state financial affairs which applies to the medium-term plan period, the National Assembly will lay down for the councils the financial conditions necessary for implementing their plans and budgets. Together, the councils will be able to manage approximately 556 billion forints between 1981 and 1985, which, at current prices, exceeds expenditures in the previous 5-year plan period by 150 billion forints.

Also in the Sixth 5-Year Plan period, we will be able to advance in improving the standard of supplies in a few priority areas. These are basic medical care, low-grade education, a few communal supply tasks--such as, for instance, expanding the healthy drinking water system and public hygiene--and maintaining and renovating public buildings and dwellings.

In conclusion, I must emphasize once more the integral homogeneity of the Sixth 5-Year Plan that has now been endorsed and the 1981 plan and budget. This homogeneity manifests itself not only in the identity of basic objectives, but also in the fact that the results of management in 1981 will be the first results in implementing the 5-year plan. We must avail ourselves of the advantage of necessarily advancing in 1981 on a path which we have already begun, the minister of finance concluded his speech.

LOSONCZI GIVES NEW YEAR'S ADDRESS, LOOKS AT FUTURE

LD012314 Budapest Domestic Television Service in Hungarian 1845 GMT 1 Jan 81

[New Year Address by Pal Losonczi, president of the Presidential Council--place unspefified; live or recorded]

[Text] Esteemed compatriots, dear comrades: In accordance with our customs we have said a traditional farewell to the Old Year and are now welcoming the New Year. Full of hope, we have left behind us a year that was a major test of our strength. Not everything has happened in the way which we would have liked. Nevertheless, we may state with satisfaction and respect that our people performed their duties honestly in the more difficult economic conditions.

As a result of our common efforts we have made progress, even if only moderately, in a number of spheres. The people's economy has evolved a more favorable balance than expected. We have preserved the living standards which we had earlier achieved, and living conditions have improved.

Dear friends: Last year has left us quite a few problems and even more tasks. A clear program was provided for their solution by the 12th party congress when, in accordance with the wish of our people, it underlined our current policy and stipulated timely tasks in the building of socialism. At its last session the National Assembly made law the Sixth 5-Year People's Economic Plan.

The only possible road depends on the more moderate rate of growth laid down and on giving priority to greater demands for quality. It is completely clear that our development can no longer be based on merely quantitative increases; more organized and better work and better quality have a greater significance in all spheres. We must meet these requirements beginning this year. We must treat sensibly and economically our material and intellectual sources of strength. There is a need for good-quality products, services that are much better than at present and for creative work that produces real value in industrial and agricultural production, culture, administration and in all walks of life. Working time should be taken up everywhere by useful and purposeful activities; we must work more intelligently, with greater initiative and with a greater sense of responsibility, both in management and in performing tasks.

All this is an indispensable precondition of the consolidation of our achievements and of laying the foundations for further progress. We cannot plan for a significant increase in the standard of living but we can ensure that better work and more valuable results should be followed by greater material and moral appreciation. That we should preserve the standard of living already achieved and further improve living conditions in accordance with our possibilities is a noble aim and a great task.

In accordance with this, the development of housing construction, children's institutions, education and the public health system will continue. In harmony with the results of our work the general level of welfare and quality of our lives will further improve.

All decent citizens of our homeland may live in secure conditions and may prosper on the basis of the work they perform. Despite more difficult conditions we will pay great attention to alleviating the problems of families with many children, of one-parent families, of those living on low old-age pensions, and of young people at the beginning of their careers who are about to start families. Both the conditions in our society and the determination and will of our people will implement these goals.

The diligence, talents and unity of our people, developing socialist democracy, and common thinking and common action are an inexhaustible source of strength for us. We may depend on our great national achievement, socialist national unity, established as a result of correct policy and a great deal of struggle and work. We must protect carefully and strengthen socialist unity and the policy of alliances which unites in close cohesion the millions of our people.

Dear compatriots: We have laid the foundations for the establishment of our world reputation as a result of our achievements in the building of socialism. We will use this moral capital in the future, too, to contribute to the securing of peace which is the indispensable international precondition of our work of construction. Shoulder to shoulder with our allies, the USSR and the countries of the Warsaw Pact, and in unity with all progressive and peace-loving forces we are striving to ensure that peace may be preserved and that detente may continue.

We are struggling to ensure that an end may be put to the arms race, stirred up by the imperialists, which places great material burdens on the peoples and increases the danger of war. We continue to profess our view that issues in dispute should be settled at talks and that the peoples should be able to decide their own fates.

The Hungarian People's Republic is pursuing the policy of peaceful coexistence and is endeavoring to broaden its relations with countries of different social systems as well. Everyone working for international security, detente and for the development of relations based on equality will find a good ally in our people and country. We know that when we are working on a good solution of the tasks involved in the building of our country we are also advancing the universal cause of peace and progress.

Dear comrades, dear friends: Our people may look forward with trust because they can build the future on solid foundations. By closing our ranks even more and by uniting our strengths let us get down to the tasks facing us.

On the first day of the New Year, on behalf of the Central Committee of our party, the Presidential Council and the government, I wish all the citizens of our country and all the Hungarian people, as well as all the friends of our people, a happy and peaceful new year that is full of achievements.

LAMENTOWICZ REFUTES CRITICS ON DISPUTE OVER PZPR

AU051601 Warsaw ZYCIE WARSZAWY in Polish 30 Dec 80 p 3

[Wojciech Lamentowicz article: "Dispute About the Party's Future"]

[Text] My articles "The Party as Leader or Manager?" (ZYCIE WARSZAWY 14 November) and "Democracy in the Party and in Society" (ZYCIE WARSZAWY 28 November) have provoked a lively response and polemics which I regard as confirmation of my optimism and hopes concerning democratization of the party's rules and customs. The fact that polemical views have appeared and that some of them are very sharp and particularly "principled" has indirectly confirmed my contention that there is a measure of controversy about the party's renewal.

In the name of formal discipline and supposedly threatened formalism, on 1 December TRYBUNA LUDU publicist Jerzy Kraszewski criticized my proposals on new forms of party democracy. He asserted that my proposals "are vague and general" and that the criteria in accordance with which I "divide the party into a new majority and the old minority" are unclear. Well, I do not "divide the party" because the party is too important and serious a community to be divided by a single small article of mine. The evaluation of the reasons for the crisis and the way in which we understand the democratic renewal of the political system comrpise the main platform of the dispute over the party's future.

The champions of the supremacy of the top echelon in power take a different view of the new reality than do the grassroots and rank-and-file party activists, who have once again been disappointed by the leading centers. To find out that this is so it is enough to study the discussion at the sixth and seventh PZPR Central Committee plenums. Even the resolution of the most recent Central Committee plenum points to the "conservative tendencies stemming from failure to understand the present changes" and to the "dogmatic interpretation of renewing socioeconomic life and democratizing the forms and methods of government." That is a brief though general description of the main features of that orientation, which is obvious to everyone and which I termed most delicately "the old minority."

Because it is only a minority within the party that is over 3 million strong, I am an optimist. Because it is a threatened minority, which is now feeling the results of its opportunism, but which is avoiding responsibility for the 1976-80 crisis, I must be ready for an attack, even for an attack in which the important organizational principles (for example, democratic centralism) and political principles (for example, the traditionally and formally conceived leading role of the party) will be used against the critically thinking people who are preparing democratic reforms. But it is precisely for that reason that it is worth fighting for the sociological and historical truth and for opportunities to democratically reform political institutions.

That is because the only road to the credibility and legality of power is to honestly lay bare the truth about the reasons that the vestiges of the times of the "personality cult" are still present in many political institutions and customs. Only when the results of Stalinization are eliminated will we be able to see the meaning of Marx's and Lenin's political ideas. Under such conditions the discussion about the principles of Marxism-Leninism will not be interrupted by doctrinairism, which favors artificial and opportunistic unanimity and not democratic grassroots control, the bureaucratic willfullness of the top echelons to the accompaniment of "stormy applause"--as a bonus for "the only correct" directive--and not programmatic discussions about various alternatives. The party that stands at attention and merely waits for directives may boast of most orderly ranks of members, but it cannot by any stretch of the imagination act as a leader of an enlightened and critical society.

When I wrote about the need to reject "historical myths," I had in mind precisely that Stalinist tradition introduced into our institutions and even into public language in 1948.

That is precisely the reason why I insist on my view that "halting the democratic ideas of October" also calls for bringing to account the people who are responsible for the halt. If in 1956 sufficient institutional guarantees of democracy had been created, perhaps there would never have been so many political errors, economic losses, socio-cultural neglect and so much moral debasement in the following 24 years.

It is certain that another partner of mine in the dispute over the party's future shares this awareness. In his article "They Marched Saying Democracy" (ZYCIE WARSZAWY 2 December) Ludwik Krasucki showed that he had understood perfectly well my plan to find "new contents, forms and methods" for the party's political activities. Of course, not only he, but I think that the overwhelming majority of readers were able to note that the political leadership I have in mind constitutes our proud and democratic goal and that I condemn bureaucratic administration. The reality created in August also rejected such administration as something that must never return. That is why I want the PZPR to renew itself internally and to create new statutes, electoral rules and political customs. I want it to be a model of democratization (as laid down by the seventh plenum resolution) and to enjoy social support. That means that I want it to be a leader who is consciously and critically followed by living people. But I do not want that which was called the party's leading role to become bureaucratic administration that keeps pushing in front of it rigid institutions that are just conveyor belts for orders.

"The calm and friendly discussion," as rightly suggested by L. Krasucki, is exactly what we need, but such a discussion calls for joint recognition of some indisputable facts. I think that L. Krasucki and I recognize that Polish society regards the leading echelons and the party apparatus as the main authors of the successive crises. We also accept the thesis that we have had too much centralism, bureaucracy and manipulation from above and too little grassroots control, open discussions and free criticism. Ludwik Krasucki shares my view that the situation calls for and justifies grassroots initiatives.

Why then are we disputing things? Someone may ask. My answer is brief: We are disputing what my discussion partner has called the "blessed sense of balance," suggesting that I am one-sided and that I have done no less than undermine some real balance between the vertical and horizontal relations in the party, between centralism and democracy and between leadership from above and grassroots initiative.

Well, I have not undermined that balance because it simply does not exist. There has been no such balance for many decades, except for short periods of post-crisis bouts of party members' spontaneous militancy. You cannot undermine balance that does not exist. You cannot undermine it even with words.

I have to defend what is grassroots and democracy and what is emotionally committed to the renewal of the party because, as L. Krasucki rightly conceded, we have always had too little and not too much of such qualities. Stressing that the need for democratic reforms is growing and a feeling for such reforms is increasing, I try to awaken our society's hopes that the aforementioned balance will some day be created. We must create the balance between the grassroots and that which is at the top in the course of renewing and transforming the structure of the party. I do not deal in my articles with the virtues of centralism, the directives flowing from above and bureaucratic methods of promotion because everyone knows that there is too much of that. If in our institutions and customs there are too many such features and if they are being generally criticized even by PZPR Central Committee members is it possible to continue to demonstrate the "blessed sense of balance?"

I and my generation (people born just after the war and politically educated at the end of the sixties and the beginning of the seventies) will have to drink a few years of that "barrel of sour beer" mentioned by L. Krasucki. We will inherit a Poland indebted to foreign countries to the tune of 35-40 billion [no currency stated], but no doubt we have the right to expect that we will not again be shackled by bureaucratic centralism and a negative selection of personnel in the name of the "blessed sense of balance." [paragraph continues]

Democracy, freedom of thought and creative work cost nothing, but without them it would be difficult for us to pay up the colossal costs of the bureaucrats' joyous creativity.

SZCZEPANSKI PREDICTS NEW INTELLECTUAL FREEDOM

LD020455 Warsaw PAP in English 0200 GMT 2 Jan 81

[From the press review]

[Text] Warsaw, 2 Jan (PAP)--1976 marked the beginning of a phenomenon when "two circulations of literature developed. At that time some writers started to print their works through underground publishers", Jan Jozef Szczepanski, the newly-elected president of the Polish Writers' Union, told ZYCIE WARSZAWY. [Warsaw PAP in English at 0815 GMT on 31 December cites Szczepanski as telling ZYCIE WARSZAWY about such underground publications: "It was an act of common sense. It was an act of self-defence." "This was the literary community's response to the official indoctrination and the official information monopoly. In this way the monopoly was broken. Anyway, later it turned out that the whole society showed a great independence of attitudes. This fact deserves admiration."]

"Things cannot change overnight. Naturally, it would be ideal if all of literature could function in the same conditions, without discrimination. However, due to the general political situation and to the weight of bad tradition which has been growing for over 30 years, it is impossible to change this climate instantly.

"The climate was that of fear of the word. The authorities were afraid...they imagined that the literature was a danger. Together with that went the whole official idea of the goals and tasks of literature, conceived as an instrument for temporary propaganda activity.

"I believe that now one can already feel trends conducive to common sense. True, we are still bound by old habits of thought and old fears, but after all they are habits which were formed by the self-willed operation of censorship over many years. This must change, even though this change is not easy.

"I think that the course of our (the writers' union) congress has done a lot to soothe the authorities' neuroses. I believe that all of the intellectual life in the country will be slowly going back to normal. At last we shall have a come-back of free thinking, which in recent years became a suspicious thing," J. Szczepanski said.

PETROLEUM INDUSTRY OFFICIAL COMMENTS ON OIL FINDS

LD032116 Warsaw PAP in English 2011 GMT 3 Jan 81

[Text] Warsaw, 3 Jan (PAP)--The eruption of petroleum at the "Daszewo-1" exploratory rig near Karlino in the Koszalin Voivodship has infused this nation with hopes that there are big deposits of petroleum and as in some parts of Poland [words indistinct] director on the petroleum and gas mining industrial group, told PAP about it:

"First, small deposits of oil were discovered near Krosno [words indistinct] south-western Poland, in the 1960s. Then came the discovery [words indistinct] the western Pomerania, in the 1970s. Then, small deposits were detected also in the latter region near Miedzyzdroje, Wysoka Kamienska and Blotna, and slightly bigger ones near Posnan. Now, Poland's most efficient deposits are located near Kamien Pomorski where oil is mined from the depth of 2,300 metres at a very high pressure of 460 atm. By Polish standards, the deposits of this source are estimated as average, with the crude mined there containing much sulpher.

Mr Karnkowski went on to say: "Wysoka Kamienska, south to Kamien Pomorski, is another major source of petroleum extracted from the depth of 3,000 metres, also at the abnormally high pressure.

As opposed to the Kamien Pomorski crude, the one in Wysoka Kamienska contains no sulphur. But that deposit is small. New deposits of oil were detected near Nowogard, 8 kilometres east to Wysoka (?Kamiujkan), last year. There are also other smaller oil sources in the western Pomerania in Petryhozyn, Miedzyzdroje and Rekowo. All in all, 130,000 tons of petroleum are mined annually in that region.

"A first exploratory bore through the dolomite was drilled in the Karlino area five years ago with not a trace of oil.

"Well, we have not abated in our search for oil there and we have got it," Mr Karnkowski said. "Judging by the eruption and the flame, the oil reservoir is porous and penetrable. The exploratory shaft must have entered the zone of rifts and cracks in the main dolomite or we came up against the barrier reef which in that region could grow around the islands of the primordial sea.

"It is good that petroleum found near Karlino contains no sulphur. It may be Poland's biggest oil source find so far," Mr Karnkowski said.

POZNAN LAWYERS CONGRESS CONSIDERS ROLE IN RENEWAL

LD041840 Warsaw Domestic Service in Polish 1800 GMT 4 Jan 81

[Text] The 2-day deliberations of the all-Poland congress of advocates have ended in Poznan. During the deliberations attention was drawn to the particular role of the legal profession in the process of renewing the country's political and socioeconomic life. It is linked with the movement of moral and political renewal and with forming social relations based on the conditions laid down in the Gdansk, Szczecin and Jastrzebie agreements. Only the means of political agreement can be the proper way to resolve differences of opinion. A fundamental condition of law and order must be an independent judiciary.

Much attention during the deliberations was given to the problems of self-government of the legal profession. The legal profession gave general support to the concept of putting it under the supervision of the Council of State. In a secret ballot, the great majority of delegates gave support for and expressed confidence in the Presidium up to now. Proposals and demands made by the country's legal circles and also during the congress were contained in the resolution passed.

JUSTICE MINISTER MEETS WITH TU COMMISSIONS

LD052158 Warsaw Domestic Service in Polish 1900 GMT 5 Jan 81

[Text] Another meeting of the minister of justice, Prof Jerzy Bafia, with the Coordinating Committee of Creative and Scientific Associations chaired by Prof Klemens Szaniawski as well as the representatives of the National Coordinating Commission of the Independent, Self-Governing Trade Unions Solidarity was held today. It was devoted to problems of legal regularization of censorship. It was decided to hold the next meeting on 14th January.

JOURNALISTS TU CONGRESS HEAD DEPLORES PAP REPORT

LD052056 Warsaw Domestic Service in Polish 1900 GMT 5 Jan 81

[Text] The second session of the Council of the Association of Polish Journalists, the ruling body of the association during the period between congresses, has ended in Warsaw. During today's session the material and financial situation of the association and problems concerning the social fund were discussed. The final version of amendments to the statute of the Association of Polish Journalists was also adoped. Thus the association's work is based on the amended statute beginning today.

Editor Robert Jarocki, who chaired the session, raised an objection concerning a communique of the POLISH PRESS AGENCY PAP on the session held on 18 December last year. The council expressed its regrets in connection with the report of discussion held at that session, which in the opinion of the council did not fully report its contents.

Today the chairman of the third session of the Council was elected. Editor Wilhelmina Skulska, of the PRZEKROJ weekly, was elected chairwoman of the session.

METALWORKERS UNION ELECTS NEW OFFICIALS

LD052048 Warsaw PAP in English 2013 GMT 5 Jan 81

[Text] Warsaw, 5 Jan (PAP)--The Polish Trade Union of Metal Workers elected Tadeusz Krasnodebski as its president and Czeslaw Orzechowski as deputy president, at the union's 12th congress which wound up on Sunday.

The congress elected an 80-strong Central Council and 21-member Presidium .

NEW CHAIRMAN OF WARSAW PEOPLES' COUNCIL APPOINTED

LD051838 Warsaw Domestic Service in Polish 1800 GMT 5 Jan 81

[Text] Today's session of the Warsaw Peoples' Council was devoted to a report by the mayor of Warsaw on the present socioeconomic situation in the Warsaw Voivodship and the preliminary provisions of this year's plan. The Peoples' Council of the capital city, Warsaw, agreed to a request by Alojzy Karkoszka to relieve him from the post of chairman of the council. In a secret vote this function was entrusted to Dr Mieczyslaw Szostek, doctor of medicine, surgeon, and assistant professor at the Medical Academy. He is not a party member and has been a town councilor for the last 3 years.

CSSR SHOWING 'GREAT UNDERSTANDING' IN MUTUAL TRADE

LD051930 Warsaw Domestic Service in Polish 1800 GMT 5 Jan 81

[Text] Poland has received from Czechoslovakia 2,000 tons of poultry, 1,000 tons of butter, 30,000 of cement, 5,000 cars and a certain amount of clothing. The total value of these deliveries exceeds the sum of Z50 million in foreign currency zloty. Our purchases in Czechoslovakia played an important role in alleviating the acute shortage of these goods on our market. Knowing of our difficulties with flour production, Czechoslovak firms have begun deliveries of flour from 70,000 tons of milled wheat.

In the current negotiations over this year's trade exchange protocol between Poland and Czechoslovakia, the Czechoslovak partners are demonstrating great understanding for our complicated economic situation.

TRADE PROTOCOL SIGNED WITH CUBA 5 JANUARY

LD052140 Warsaw PAP in English 2030 GMT 5 Jan 81

[Text] Warsaw, 5 Jan (PAP)--Poland and Cuba signed a trade protocol for 1981 here today providing for a 35-percent increase in mutual trade turnover as compared with last year's figure.

The protocol, signed by Cuban Deputy Foreign Trade Minister Jose de la Fuente and his Polish counter-part Wladyslaw Gwiazda, provides for the supplies to Poland of Cuban marketables like sugar, tropical fruits and juices, jam, cigarettes, honey, and other goods.

Poland will export to Cuba machinery, installations and spare parts, Fiat-126P cars, ship engines, crop-dusting planes and other commodities.

KANIA MEETS WITH DANISH COMMUNIST PARTY DELEGATION

LD052221 Warsaw Domestic Service in Polish 2200 GMT 5 Jan 81

[Text] A delegation of the Communist Party of Denmark has arrived in Poland on a visit at the invitation of the party Central Committee. The delegation is led by Jorgen Jensen, chairman of the party. The delegation met Stanislaw Kania, first secretary of the party Central Committee today. Information on work and current tasks of the two parties was exchanged and much attention was paid to the issue of European security and supplementing political with military detente. The delegation of the Communist Party of Denmark expressed the solidarity of Danish communists with Polish communists and working class and support for the PZPR's endeavors to overcome the present internal difficulties, for stabilizing life and strengthening socialism.

KANIA RECEIVES OFFICIAL ON CONTACTS WITH VATICAN

LD061002 Warsaw PAP in English 0207 GMT 6 Jan 81

[Text] Warsaw, 5 Jan (PAP)--PUWP CD First Secretary Stanislaw Kania received here today Kazimierz Szablewski, the minister plenipotentiary heading the government team for permament working contacts with the Vatican.

BRIEFS

WALESA AT OIL FIRE--The rescue operation to put out the fire and bring oil eruption under control in Daszewo-1 is continuing in Karlino near Koszalin. Lech Walesa, chairman of the National Coordinating Commission of the Independent, Self-Governing Trade Unions Solidarity, familiarized himself with the progress of the operation yesterday. He expressed appreciation for the hard work of the rescue teams. [Text] [Warsaw Domestic Service in Polish 0100 GMT 3 Jan 81 LD]

DETAINED SPECULATORS--During the pre and post holiday period, the militia, aided by the State Trade Inspectorate controllers, has carried out control checks on 71 trading premises and on more than 200 trading stalls at 9 markets and trading emporia of the Warsaw Voivodship. Many cases of speculation in goods in short supply have been revealed. Among others, a market trader has been detained at the Rozycki market. He was selling oranges. He had more than 200 kg of them. It transpired that they had originated from an agency ship managed by his wife. Market traders who were selling, among other things, pork at Z180 per kg and chocolate at Z100 per bar have also been detained. Eighty-four motions (?for these misdemeanors to be punished have been made and 132 tax fines totalling Z68,000 have been imposed). [Text] [Warsaw Domestic Service in Polish 0330 GMT 2 Jan 81 LD]

HOUSING CONSTRUCTION SHORTFALL--The POLISH PRESS AGENCY has reported that only about 57 percent of 1980 housing construction tasks have been fulfilled. All building firms were to have handed some 190,000 flats over for use last year. [Text] [Warsaw Domestic Service in Polish 0300 GMT 3 Jan 81 LD]

NEW PUBLISHING HOUSE DIRECTOR--(Witold Skrabalak) has become the new director of the Ksiazka i Wiedza publishing house. A meeting of the institution's party aktiv with (Walery Namiotkiewicz), head of the party Central Committee Ideoeducational Work Department, took place at the publishing house yesterday. [Text] [Warsaw Domestic Service in Polish 0300 GMT 3 Jan 81 LD]

LODZ PAPER TITLE CHANGE--Beginning at the start of the new year the oldest Lodz paper, DZIENNIK LODZKI, whose traditions go back to the last century, returned to its traditional title. This is in accordance with the wishes of staff and readers of the paper, which covers four voivodships. After the last administrative reform the paper was printed as the DZIENNIK POPULARNY. [Text] [Warsaw Domestic Service in Polish 0800 GMT 4 Jan 81 LD]

AUSTRIAN CP LEADER ARRIVES IN BUCHAREST 5 JAN

AU051417 Bucharest Domestic Service in Romanian 1400 GMT 5 Jan 81

[Text] At the invitation of the RCP Central Committee, Comrade Franz Muhri, chairman of the Austrian Communist Party [KPOE] arrived in Bucharest today. Comrade Franz Muhri is accompanied by Comrade Johann Steiner, member of the KPOE Central Committee and head of the Central Committee International Department. The guests were met at Otopeni Airport by Comrade Virgil Cazacu, member of the Political Executive Committee and secretary of the RCP Central Committee; Ghizela Vass, member of the party Central Committee; and party activists.

CONSTANTIN MEETS WITH BULGARIAN, SRV OFFICIALS

AU191727 Bucharest Domestic Service in Romanian 1600 GMT 19 Dec 80

[Text] Comrade Nicolae Constantin, deputy prime minister of the government and chairman of the State Planning Committee, today had working meetings with Comrade Zarev, vice chairman of the Council of Ministers of Bulgaria and chairman of the State Planning Committee, and Comrade Tran Win, minister and vice chairman of the State Planning Committee of the SRV, who attended the proceedings of the 24th session of the CEMA committee for cooperation in the field of planning.

The meetings, which took place in a friendly atmosphere, were an opportunity to discuss aspects on deepening and expanding cooperation between Romania and the respective countries in the economic, scientific-technical fields and in other sectors of mutual interest, and on expanding and diversifying mutual exchanges of goods in 1981-85.

CEAUSESCU CONGRATULATES PERES ON REELECTION

AU051225 Bucharest SCINTEIA in Romanian 3 Jan 81 p 3

[Text] To Shimon Peres, chairman of the Israel Labor Party [ILP].

Your reelection as ILP chairman is a pleasant opportunity for me to extend sincere congratulations and wishes for new successes in the high position entrusted to you by the party.

I want to express the conviction that relations between our parties will continue to develop to the benefit and in the interests of the Romanian and Israeli peoples and the cause of peace, progress, understanding and international cooperation.

[Signed] Nicolae Ceausescu, RCP secretary general

LEADERS SEND GREETINGS TO CUBA'S CASTRO

Congratulations on Reelection

AU051228 Bucharest SCINTEIA in Romanian 3 Jan 81 p 3

[Text] To Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba [PCC].

Your reelection as first secretary of the PCC Central Committee is a pleasant opportunity for me to extend to you cordial congratualations on behalf of the Romanian Communists and myself personally and, at the same time, to wish you greater and greater successes in fulfilling your highly responsible mission and in implementing the Second PCC Congress decisions.

[Signed] Nicolae Ceausescu, RCP secretary general

Greetings on National Day

AU051235 Bucharest SCINTEIA in Romanian 3 Jan 81 p 4

[Text] To Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba [PCC] and president of the State Council and Council of Ministers of the Republic of Cuba, Havana.

On the 22d anniversary of liberation day, the national holiday of the Republic of Cuba, on behalf of the RCP, the State Council and Government of the Socialist Republic of Romania, the Romanian people and on our own behalf, we extend to you and through you to the PCC, the State Council and Council of Ministers of the Republic of Cuba and to the fraternal Cuban people cordial congratulations and friendly greetings, together with best wishes for success in implementing the Second PCC Congress decisions.

We want to take this opportunity to reassert our desire that the relations of friendship and cooperation between our parties and countries should continue to develop in the interests of the Romanian and Cuban peoples and the general cause of socialism and peace.

[Signed] Nicolae Ceausescu, RCP secretary general and president of the Socialist Republic of Romania; and Ilie Verdet, prime minister of the Government of the Socialist Republic of Romania.

CEAUSESCU ADDRESSES DIPLOMATIC CORPS MEMBERS

AU051021 Bucharest SCINTEIA in Romanian 31 Dec 80 pp 1, 2

[Speech by Romanian President Nicolae Ceausescu at meeting with diplomatic corps members in Bucharest 30 December.]

[Text] Esteemed comrade dean of the diplomatic corps, gentlemen and comrade ambassadors and representatives of the states with which Romania maintains diplomatic relations.

I want to express thanks for the wishes extended to the Romanian people and to us on the New Year.

It is indeed a good tradition to meet on the occasion of the New Year. As a matter of fact, it is a long-standing tradition of all peoples to take inventory at the end of a year and the beginning of a new one and to look to the future to wish for increasingly better results for themselves and for their friends in the year ahead.

You have lived and are living in Romania--even those of you who have arrived recently--and you have become acquainted with the Romanian people's recent concerns, with both the achievements and difficulties and with what the Romanian people propose to achieve in the future. As far as we are concerned, we are concluding a 5-year plan and, in fact, a 10-year period of sustained activity of raising our socialist society onto a higher level.

We have recorded great achievements but we have also faced many difficulties. We still have many shortcomings but we view the inventory we are drawing up now as positive. Our people have traveled a long distance toward a better and more just society, a society of justice and social equality. We have recorded successes in developing the forces of production, in increasing the national wealth, and in improving the people's material and cultural living standard. [paragraph continues]

At the same time, the decade we are concluding has been--one can say--a decade marked by many international events, some positive and some negative. All in all, one can say that this decade has marked some important events in the direction of detente and peace, of asserting the peoples' national independence. During this very year further peoples have won their national independence, thus bringing a step closer the complete elimination of colonialist domination and the oppression of peoples by other peoples. New peoples have asserted their will to strengthen their national independence and to ensure their socio-economic progress in keeping with their own desires and aspirations.

Unfortunately, however, we must also mention that 1980 was marked--as you know--by new events that have accentuated international tension, by new military conflicts that claimed many victims from among the peoples' ranks and that increased the danger of aggravating the international situation.

In Europe, the end of the year was marked by the beginning of the Madrid meeting for security and cooperation on the continent. True, its preparatory proceedings were quite difficult. There were times when the beginning of that meeting was questionable. We hail the fact that wisdom and reason were successful and that the meeting could begin and eventually even proceed in a calmer working atmosphere, something that was in keeping with the interests of all European peoples.

At an international level, the overall inventory--even if it cannot be regarded as positive--in any case is also characterized by important events in the direction of a policy of peace and detente, a fact that demonstrates that the peoples are able to ensure a new policy if they take firm action.

We are on the eve of a new year and it is customary to extend only good wishes. I can only say that as far as Romania is concerned, the party and state leadership will do all they can to ensure the fulfillment of the new 1981 plan, to set a lasting basis for the 5-year plan and to raise our people's material and cultural living standard onto a higher level. We want to achieve an extensive as possible cooperation with all countries, irrespective of social system. We will pay particular attention to relations with our neighbors, with the Balkan countries and with the European countries and we will act to achieve broad cooperation that will ensure the achievement of security and cooperation on this continent.

We direct our thoughts toward and express our desire for stopping the military actions taking place in various parts of the world, proceeding to negotiations and to resolving all problems between countries by negotiations. It is both in the interest of the respective peoples and in that of overall mankind, of the policy of detente, peace and national independence to stop the policy of force and to firmly proceed to resolving all problems by negotiations alone.

I do not want to refer to any particular conflict. Unfortunately, they are too many. Our wish is that all those conflicts will be resolved by negotiations--and, as far as we are concerned, we will do all we can so that, together with all countries favoring peace and cooperation, we will contribute to achieving that goal.

I believe that the best wish we can extend to our peoples today is to stop the policy of force, to halt military conflicts and thus open up new prospects so that 1981--which marks the beginning of the eighties--will be a year to mark the transition to a real policy of detente, cooperation and peace.

All of us know what a heavy burden the huge military expenditures and the irrational arms race is on the shoulders of all peoples. Therefore, the second wish I would like to make is that the arms race be stopped, that military spending be cut back and that new tangible measures be taken for a gradual and balanced cutback in military spending. This is also a target that is of interest for all peoples and all mankind desirous of devoting their material and human forces to resolving many problems linked with improving material and cultural well-being.

For us in Europe this wish is first and foremost linked with the desire to halt and stop the deployment and development of new nuclear missiles, to successfully conclude the Madrid meeting and to convene a conference on trust and disarmament in Europe, and to establish new measures aimed at developing economic, scientific-technical and cultural cooperation, at ensuring the continuation of the Helsinki conference and at scheduling a new meeting which--as you know--Romania has offered to host in Bucharest. As a developing country, Romania is closely linked through its overall activity to the countries living in poverty and struggling hard to ensure socioeconomic progress. Unfortunately, the decade we are concluding has been characterized by a more pronounced gap between rich and poor countries, between the developing and developed countries. The numerous attempts to reach certain understandings have ended without any results, including the ones this year. Thus, the developing countries place their hopes on 1981. The new decade that begins should mark certain progress in the direction of resolving the problems of underdevelopment and of achieving a new international economic order.

There are certainly numerous representatives of those states here and I want to stress that Romania believes that it lies first and foremost in the power, solidarity and desire of those states and of the developed countries--which are also represented here--to take firmer action toward adopting a more realistic position, I should say, a more humanitarian one. One must understand well that the world will not be able to stand another decade in which underdevelopment is accentuated and that detente, peace and socioeconomic progress are closely linked to the solution of that problem on which the life and well-being of two-thirds of mankind depend. Therefore, our wish is directed toward a policy of understanding, of constructively resolving the problem of underdevelopment and of implementing the principles of a new international economic order. This is, actually, in keeping with the interests of all countries, primarily with those of the developing countries.

I cannot help referring to the world economic situation which is very complex. As a matter of fact, the year we are concluding has been characterized by an aggravated world economic crisis--and we must frankly state that this crisis, which began in the developed capitalist countries, is more strongly felt in the developing countries. It has worsened their situation even more. This crisis is also felt, to a certain extent, in the socialist countries. In actual fact, it has become more and more an economic crisis that includes all states and that greatly aggravates international relations.

Therefore, we favor the adoption of measures for resolving this crisis through cooperation on the basis of the principles of equality and mutual advantage that will also ensure a more just distribution of the difficulties caused by it. These difficulties should not be just a burden for poor peoples but also for rich ones. On the basis of close cooperation among all countries, they should be surmounted and economic activity resumed, closely linked to solving disarmament problems and achieving a new international economic order.

We want to cooperate broadly with all countries you represent, with all world states, irrespective of social system. We are inspired by the desire to contribute to achieving democratic relations and an international atmosphere in which each nation feels protected so that it is able to develop freely, sheltered from any aggression. We are inspired by the desire to cooperate extensively in promoting and capitalizing on the wonderful achievements of science and culture and human thought, together with all peoples and under appropriate conditons. We want to contribute to achieving a better and more just world in our planet--and in this respect we want to extend to all peoples the wish to strengthen their solidarity and to do all they can to bring about a change in international life in the direction of detente, peace, national independence and improving their material and cultural well-being. I believe this is the wish of all people, one for which they want to take determined action and to struggle to make it come true. I hope our cooperation with your countries will achieve greater progress and be strengthened to the benefit of our peoples and peace on our planet. I would like to ask you to extend best wishes for the New Year to the heads of states you represent on our behalf, as well as wishes for prosperity, well-being, happiness and peace to your peoples on behalf of the Romanian people. To you and your families I want to extend best wishes for the New Year and wishes for success in your future activity, for good health and happiness. To all of you and the peoples you represent: "Many happy returns!"
(loud, prolonged applause)

TRYBUNA LUDU CITED ON POLISH ARMY MEETINGS

LD052154 Zagreb Domestic Service in Serbo-Croatian 2100 GMT 5 Jan 81

[Text] The Polish national army is ready to defend the greatest national values and state independence, inviolability of its borders and the socialist and social system. This conclusion is one of those stressed at the meetings of party organizations in the units of the Polish People's Army held as part of a general party discussion in the country following the seventh party plenum. At the same time TRYBUNA LUDU today says that the Polish Army supports the process of socialist renewal led by the party and expresses satisfaction over the fact that the main conflicts have been resolved by political means. However, party members within party ranks are expressing concern because of social tension which persists in some areas of Poland, TRYBUNA LUDU stresses.

MOJSOV GREETS CASTRO ON REVOLUTION ANNIVERSARY

LD302044 Belgrade TANJUG Domestic Service in Serbo-Croatian 1058 GMT 30 Dec 80

[Text] Belgrade, 30 Dec (TANJUG)--In connection with the 22d anniversary of the revolution and of the national festival of the Republic of Cuba Lazar Mojsov, president of the Presidium of the LCY Central Committee, has sent congratulations to Fidel Castro, first secretary of the Communist Party of Cuba [PCC] Central Committee, in which on behalf of the Presidium of the LCY Central Committee he expresses his best wishes for further successes in the socialist construction of Cuba. The telegram expresses the conviction that friendly relations and cooperation between the LCY and the PCC and between the two socialist and nonaligned countries will develop successfully in the interest of the people of SFRY and of the Republic of Cuba, and in the interest of the consolidation of the nonaligned movement, international cooperation based on an equal footing, peace, social progress and socialism in the world.

PRESIDENCY AWARDS ORDER TO VOJVODINA'S ALIMPIC

LD051616 Belgrade TANJUG Domestic Service in Serbo-Croatian 1205 GMT 5 Jan 81

[Text] Novi Sad, 5 Jan (TANJUG)--The SFRY Presidency has awarded Dusan Alimpic, president of the Vojvodina League of Communists Provincial Committee, the Order of National Liberation. This high tribute to Alimpic is awarded to mark his 60th birthday and his many years of revolutionary work, as well as for his exceptional services in the national liberation struggle and constructive contributions to the SFRY's development.

Mojsov Congratulations

LD051618 Belgrade TANJUG Domestic Service in Serbo-Croatian 1220 GMT 5 Jan 81

[Text] Novi Sad, 5 Jan (TANJUG)--Lazar Mojsov, president of LCY Central Committee Presidium, sent the following greetings to Dusan Alimpic, president of the Vojvodina League of Communists Provincial Committee:

Comrade Alimpic, on the occasion of your 60th birthday and high decoration, the Order of National Liberation, I send you on behalf of the LCY Central Committee Presidium and myself cordial greetings and wishes for good health, personal happiness and fresh successes in your continued work.

From your early youth you have been an active participant in our revolutionary movement. During the national liberation war and revolution you were in the front lines of the struggle for liberation and a bright future for our nations and nationalities.

In responsible positions in our society and the League of Communists you demonstrated, and continue to demonstrate, that the Socialist Autonomous Province of Vojvodina and the whole of our country have in you a consistent revolutionary who constantly and creatively contributes to the realization of the policy of the League of Communists.

With your zeal and creative involvement in the realization of Tito's ideas you make, and continue to make, a significant contribution to the development of socialist self-management relations, and of brotherhood, unity and equality of our nations and nationalities, reads Lazar Mojsov's greeting to Dusan Alimpic.

BRIEFS

HUNGARIAN MINISTER--Yesterday Gojko Ubiparip, vice president of the Federal Executive Council, received Ferenc Trethon, Hungarian minister of labor, who is visiting Yugoslavia at the invitation of the Federal Executive Council. Ubiparip and Trethon exchanged views on experiences of the two countries in solving problems in the sphere of labor, health and social insurance and the future programs to solve such problems. [Belgrade BORBA in Serbo-Croatian 21 Nov 80 p 8 AU]

AGREEMENT WITH CSSR--An agreement on mutual cooperation has been signed in Prague between the Titograd aluminum combine and the Sibenik factory of light metals, on one hand, and the Czechoslovak Kerametal economic organization, on the other, in which the Czechoslovak foreign trade organization and bank will provide a credit of about $63 million for "long-term delivery of certain quantities of aluminum products and semiproducts." The agreement represents "one of the biggest arrangements between Yugoslav and Czechoslovak work organizations" and "is expected to significantly contribute to increasing commodity trade between the two countries and further develop their economic cooperation on a long-term basis." [Belgrade BORBA in Serbo-Croatian 23 Nov 80 p 3 AU]

ZAGREB DELEGATION TO BULGARIA--Zagreb--A delegation of the city of Zagreb led by Dragutin Plasc, president of the Zagreb city conference of the League of Communists of Croatia, left for Plovdiv yesterday. The delegation will have talks with its host on cooperation between Zagreb and Plovdiv. The delegation consists of Mladen Herceg, chairman of the city council of the Zagreb trade unions; Branko Selakovic, chairman of the Zagreb Economic Chamber; and Marijan Sket, vice president of the Executive Council of the Zagreb City Assembly. [Text] [Belgrade BORBA In Serbo-Croatian 8 Dec 80 p 6 AU]

PAKISTANI MINISTER--Dragoljub Stavrev, vice president of the Federal Executive Council, yesterday held talks with Sharifuddin Pirzada, minister of law and parliamentary affairs of the Islamic Republic of Pakistan, who is visiting Yugoslavia at the invitation of the Federal Executive Council. The characteristics of the Yugoslav sociopolitical system and especially the relations between the federation and the republics and provinces, in which Pirzada was particularly interested, were discussed during "a long and friendly talk." [Belgrade POLITIKA in Serbo-Croatian 26 Oct 80 p 2 AU]

OIL CONSUMPTION IN 1981--According to the general association of organizations of the Yugoslav oil industry, about 19 million tons of oil will be needed in 1981 to meet the demand of the Yugoslav market. It is expected that Yugoslav oil producers will supply about 4.5 million tons of oil and that the republics and provinces will be able to provide foreign exchange for the import of some 11 million tons of oil. According to the association, the difference of about 3.5 million tons between supply and demand potential "should be compensated for by economizing." [Belgrade BORBA in Serbo-Croatian 26 Nov 80 p 5 AU]